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Austria	12.5	Kenya	Sh. 7
Belgium	20 B.F.	Lebanon	12.25
Denmark	2.50 D.Kr.	Luxembourg	23 L.F.
Egypt	40 P.	Morocco	2.75 Dr.
France	22 F.	Netherlands	1.50 Flor.
Finland	2.50 F.M.	Nigeria	70 K.
Germany	2.00 M.	Norway	3.48 Kr.
Greece	1.50 O.L.A.	Portugal	20 Esc.
Great Britain	20 P.	Spain	160 Ptas.
India	18 Rs.	Sweden	2.75 S.Kr.
Iran	40 Rials	Switzerland	1.75 Fr.
Israel	12.1400	Turkey	27 Liras
Italy	400 Lire	U.S. Military (Eur.)	90.35
		Yugoslavia	20.0

In Mozambique

Rhodesia Strikes 25 Rebel Bases

SALISBURY, Rhodesia, Sept. 24 (UPI) — The military command said today that Rhodesian troops had destroyed 25 black nationalist guerrilla bases and clashed with a Mozambican armored unit during four days of operations "successfully completed" yesterday.

The command yesterday had announced the completion of four days of air and ground strikes and said that martial law had been imposed in some sectors of Rhodesia, but had imposed a news blackout on details of the strikes until participating commanders had been debriefed.

Breaking its silence, the command said today that Rhodesian forces battled with Mozambican regulars equipped with Soviet-supplied armored personnel carriers.

A communiqué said that the armored vehicles were "eliminated" but it gave no details on casualties. [Photograph: Page 2.]

The targets of the attacks were bases occupied by guerrillas of the Zimbabwe African National Liberation Army (ZANLA), headed by Patriotic Front co-leader Robert Mugabe.

Target of Raids

"The recent self-defense operation against ZANLA terrorists into Mozambique was carried out successfully," the communiqué said. "Twenty-five bases were attacked, separate locations, the center of the target being approximately 70 kilometers [43 miles] from the Rhodesian border."

The communiqué said that the main target area was a complex of eight guerrilla bases in an area of about 12 square miles (33 square kilometers).

The operations — the first such strikes officially acknowledged since the military command reported that 10 guerrilla bases were "knocked out" in July — were supervised by Rhodesia's supreme military commander, Lt. Gen. Peter Walls.

Gen. Walls announced yesterday that martial law had been proclaimed "in certain carefully selected areas in Rhodesia." He did not spell out what martial law would entail and did not name the areas affected.

"I must emphasize that the declaration of martial law has been primarily designed to facilitate operations by the security forces against terrorists and those who assist them by acts of lawlessness," he said.

"I wish to make it abundantly clear that martial law does not mean that the security forces will be licensed to behave with complete abandon," he said.

'Freedom of Action'

Gen. Walls said that martial law was "designed to give the security forces additional freedom of action in order to deal more effectively with the terrorist menace" and vowed that it would be "administered responsibly and in good faith."

The completion of the raids and the announcement of martial law — both underscoring the intensification of the war — came on the eve of the second anniversary of Prime Minister Ian Smith's acceptance of the principle of majority rule.

On Sept. 24, 1976, Mr. Smith said in a dramatic announcement that he had accepted a majority rule blueprint drafted by Henry Kissinger, then U.S. secretary of state. The plan was to achieve majority rule in a two-year period but was rejected by black Africa's five "front-line states" and Rhodesian black nationalist organizations.

Mr. Smith has since concluded an "internal" agreement with three moderate black leaders, but it has been rejected by the Patriotic Front co-leaders, Mr. Mugabe and Joshua Nkomo.



Roland Beghin, leader of Jura national movement, after voting in Delémont, capital of new canton. In background is canton's flag.

French-Speaking Area

Swiss Vote to Create New Canton in Jura

BERN, Sept. 24 (AP) — A new Swiss state was born today in a national referendum that changed the maps of the confederation for the first time in 130 years and was sure to be watched in other countries where autonomist movements are active.

By a large majority, voters approved a constitutional amendment creating the "Republic of Jura" as the 26th canton of Switzerland and the sixth where French is the official language. It is hoped that the new canton will solve the multilingual country's most delicate minority problem that dates to Napoleonic times.

The vote was 1,309,722 to 281,917, or 82.3 percent for and 17.7 percent against the creation of the new state. The turnout was 41.5 percent, slightly above average.

The vote brings self-rule to three mainly Catholic districts in the Jura region bordering France. They had been part of the mainly German-speaking and Protestant canton of Bern, the federal capital.

The new state has a population of about 67,500 settled in a largely rural area in the northwest of the country. The state capital is Delémont.

Israeli Cabinet Backs Camp David Accords

Arabs Reportedly Agree To Set Anti-Sadat Fund Gives Qualified Support To Evacuating Settlers

DAMASCUS, Sept. 24 (AP) — The summit conference of hard-line Arab states made a secret decision to establish a fund of \$1 billion for the overthrow of President Anwar Sadat of Egypt and the Camp David agreements, conference sources said yesterday.

The summit has proved very fruitful in countering the Camp David accord, Syrian President Hafez al-Assad said after the three-day meeting.

A communiqué at the end of the conference listed four other main decisions:

- The establishment of a military pact bringing together the members of the Front for Steadfastness and Confrontation — Syria, Algeria, Libya, Southern Yemen and the Palestine Liberation Organization.
- The establishment by the Soviet Union, apparently to counter increased U.S. influence in the Middle East in the wake of the Camp David summit.
- The economic boycott of Egypt by the front.
- A demand by the front that the Arab League headquarters be moved from Cairo to another Arab capital.

JERUSALEM, Sept. 24 (UPI) — The Israeli Cabinet endorsed the Camp David framework for peace today, including a carefully worded commitment to remove settlers from occupied territory if other obstacles are overcome.

Prime Minister Menachem Begin emerged from the eight-hour session and said that he would ask the Knesset, or parliament, to approve the following statement at its special session starting tomorrow:

"If, during the negotiations for the conclusion of a peace treaty between Egypt and Israel, all outstanding issues are completely agreed upon and the agreement is expressed in a written document, the Knesset authorizes the government within the framework of this peace treaty and during a period to be agreed by the parties to withdraw the Israeli settlers from Sinai and resettle them."

He did not answer any questions and did not say whether the settlements established in the Sinai since the 1967 war would be dismantled, although that would be the likely result.

Mr. Begin said that the vote was 11-2, with one abstention. Three



Mr. Sadat is showered with confetti as he returns to Egypt.

Inside:

- U.S. Secretary of State Cyrus Vance ends his Mideast tour after failing to gain Arab support for the Camp David formula.
- Jordanian King Hussein, in an interview after Vance's visit, tells why he objects to the summit agreements.
- For Egyptian President Sadat, a triumphant welcome home in Cairo.

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ministers from the National Religious Party did not take part in the voting because their party has not yet decided its position.

The cabinet rejected a proposal to separate the issues of a general Middle East settlement and an individual treaty with Egypt at the Knesset vote.

Carter Likens the PLO to Nazis, KKK

ALBUQUERQUE, N.M., Sept. 24 (AP) — President Carter said yesterday that the Palestine Liberation Organization, like the Ku Klux Klan and the Nazi Party, is obnoxious to some Americans but deserves freedom of speech in the United States.

Mr. Carter's remark at a town meeting in this Pittsburgh suburb was made in response to a questioner who asked why the PLO was allowed to retain a small informational office in Washington.

Mr. Carter responded by saying that many organizations distasteful to many Americans still have the right to free speech in the United States as long as they don't pose a threat to U.S. security. "There are many groups like this that cause us concern — the Ku Klux Klan, the Communist Party, the Nazis," Mr. Carter said, adding: "It would be nice for us if they would just go away."

The PLO is recognized by most Arab governments as the sole representative of the Palestinian people. The PLO opened an information office in Washington last April despite State Department objections. At the time, a spokesman for the PLO denied it was a lobbying office. Hatim Hussein, a Palestinian who is a citizen of Jordan, said, "We are simply an information office."

The central committee of the opposition Labor Party, meanwhile, voted to endorse the Camp David agreements as well, but it urged a maximum effort to negotiate retention of the settlements.

Asked why the debate took so long, Defense Minister Ezer Weizman said, "It was an historical decision."

Justice Minister Shmuel Tamir said, "It was an extremely serious moment. There was a deep feeling that we're facing a great dilemma, a painful one."

Demonstrators outside chanted slogans such as "sellout" and "peace — it's a counterfeiter" to protest the commitment to return the Sinai to Egypt and stop new settlements in the next three months.

Questions 'Political Effect' of Maneuvers

BONN, Sept. 24 (WP) — West Germany's defense minister, in a quiet yet unprecedented move for a Bonn defense chief, has called on the leaders of the North Atlantic Treaty Organization to review "the political effect" of bolding maneuvers across Europe from Norway to Turkey every autumn.

The remarks by Hans Apel have provoked interest and some concern within NATO because, in effect, they amount to a polite yet clear questioning of the strategy developed primarily by the supreme allied commander in Europe, Gen. Alexander Haig Jr., during the last four years.

That strategy involves pulling together sometimes as many as 30 individual national or joint military maneuvers into a larger-scale exercise aimed at improving realistic training and coordination and demonstrating preparedness.

Mr. Apel's remarks are the latest in a series of public and private expressions of unhappiness about the size of NATO war games. Some Germans have argued that it creates adverse psychological effects in the Third World when compared to smaller but more frequent Soviet-style exercises. Others see threats to détente or argue that the sheer size precludes such exercises from being properly coordinated.

Some say such demonstrations of NATO might give military commanders on both sides arguments for higher budgets.

'Autumn Forge'

About 323,000 allied troops from a dozen countries are taking part in what NATO calls its "Autumn Forge" exercises, the bulk of which are conducted along the main East-West front in Germany.

What makes Mr. Apel's remarks doubly interesting, however, is that they come about two weeks after one of his top civilian deputies — State Secretary Andreas von Buelow — touched off a political row here and in NATO circles with the first public questioning of the wisdom of maneuvers on such a large scale.

Specifically, Mr. von Buelow — a Social Democratic Party member — questioned whether such big maneuvers might cause a negative reaction in Eastern Europe, jeopardize détente and unnecessarily strain West Germany's relations with its neighbor to the East.

His remarks were quickly disavowed by the Social Democrat-led government of Chancellor Helmut Schmidt, which has been the target of recent charges by the conservative opposition and newspapers that the left wing of Mr. Schmidt's party has been advocating naive ideas.

To Promote China Boom

Japan to Seek Eased Trade With Reds

TOKYO, Sept. 24 (NYT) — In a carefully planned policy move intended to help Japan greatly increase exports to China, the Japanese government next month will propose a dramatic liberalization of controls on exports of strategic items to the Communist world.

The proposal is to be made, according to sources at the Ministry of International Trade and Industry, in a meeting of the Coordinating Committee for Export to Communist Countries due to start in Paris on Oct. 2.

A spokesman for the ministry said Friday that Japan had notified follow members of the coordinating committee — the United States and other NATO countries — that it will propose dropping 53 items from the list of items banned for export to the Communist world.

Officials said that Japan wants to lift controls on exports of computers, semiconductors and other computer-related items to boost plant and computer sales to China in the near future.

Major Role Wanted

Japan joined the trade committee as a full member in 1973, three years after its creation at the outset of the Cold War, and wants to play a major role in its decisions.

Following conclusion of a treaty of peace and friendship with China on Aug. 12, Japan looks forward to a major boost in trade with China under a long-term trade agreement worth more than \$20 billion over eight years.

After a recent visit to China, Toshio Komoto, the international trade and industry minister, said that this total should be boosted to four or five times the original scale, or about \$80 billion to \$100 billion, mainly imports by Japan of Chinese raw materials and oil, and exports to the mainland of sophisticated, heavy equipment and plants.

Japan has to get a relaxation of the interdicted Japanese rules, which it believes will be supported by the United States, in order to permit sale of heavy plants equipped with modern computer controls. The United States, according to officials here, proposes that 51 items be taken off the committee's list, including some computer items, but that 16 new items be restricted.

Explosion of Joy

As results of the vote came in, there was an explosion of joy in the capital, bedecked with the red and white flags of the new canton. Foreign television crews on hand to cover the event included one from Quebec, the "Canadian Jura," as a Geneva newspaper called it.

The problem dates to the 1815 Congress of Vienna which reshaped Europe after Napoleon's defeat. The Congress attached the Jura to Protestant Bern after almost 800 years of autonomy as a Vatican-type principality ruled by Roman Catholic bishops.

Friction has flared repeatedly since then, with the secessionists (Continued on Page 2, Col. 6)

First Big Visit

The mission, lead by Gen. Chang Tsai-chien, a vice chief of the general staff, was the first big official group to visit Japan after signing of the new treaty.

On another front, so far this year Japan's exports to the United States are up 32.7 percent in the first seven months, to \$13.9 billion, against imports of only \$7.9 billion — creating a record surplus of \$6 billion, twice the level of a year ago.

But officials say the big surge is over. Indeed, exports to the United States started the year rising at rates of over 40 percent a month but dropped to only an 18 percent gain in July, and will be flat by next month — a drastic turnaround.

Italian Photos Said to Verify Shroud Images

TURIN, Sept. 24 (AP) — Italian experts, following a method developed by U.S. space researchers, have produced computerized images of the Holy Shroud, providing further evidence, they said, that the linen actually wrapped and became impressed with the body of a dead man.

The shroud, on public display in the cathedral here to mark the 400th anniversary of its transfer from the French city of Chambéry, is venerated by Roman Catholics as the linen in which Jesus Christ was wrapped when he was buried.

Photographs obtained by the two electronic experts, Giovanni Tamburelli and Giovanni Garboto, resemble those first produced by Eric Jumper and John Jackson in the Jet Propulsion Center of Pasadena in 1976 and 1977.

Techniques developed to study pictures sent to earth by space vehicles were used to show that the features of the man on the shroud appear in relief. If the shroud image had been painted, the computerized relief would instead show the marks of the painters brush, the experts said.

Computer Orders

Leading Japanese firms negotiating with China for orders that include computers are Hitachi, Toshiba and Nippon Steel. Hitachi plans to sell computers for geological prospecting and has already obtained U.S. consent to that deal, officials said.

In addition, Hitachi and Toshiba need approval to export know-how to go with a color TV plant, and Nippon Steel wants to supply computers to go with a large steel plant to be built near Shanghai. The cost

EEC Mission to China

BRUSSELS, Sept. 24 (AP) — Vice President Willem Hafkamp of the European Economic Community and a delegation of European business, trade union and banking leaders left Brussels for China yesterday on a "goodwill and exploratory visit" to discuss economic cooperation.

E. Germany Setting Love Traps in Bonn

By Harry Trimborn

BONN, Sept. 24 (WP) — It apparently was a chance meeting during the summer of 1973, Dagmar Kahlig-Scheffler, then 29 and recently divorced, was vacationing at a Black Sea resort in Bulgaria when a man who introduced himself as Herbert Schroeter sought her acquaintance. Their marriage three years later lasted until Mr. Schroeter's disappearance last year.

Twelve years ago, Helger Berger, then 25, met a man called Peter Krause, who, Miss Berger said later, "became my great love." Their romance continued until 1975, when Mr. Krause disappeared.

Hanneliese Kress, 54, and a man who called himself Rolf Reggenstein were married in 1966. He disappeared last year.

Each of these cases involved more than a shattered romance.

At stake was West Germany's national security. All three men were East German spies who had used love as a weapon to learn West Germany's secrets.

East Germany has aimed at what appears to be the soft spot in West Germany's defenses against espionage: romantically vulnerable secretaries and other female employees of government agencies and political groups.

Miss Kahlig-Scheffler, Miss Berger and Miss Kress all had access to government or political secrets. All three had been used by the men they loved to pass some of those secrets to East Germany.

The result has been disillusionment, betrayal and disgrace. There has also been punishment. Miss Berger is serving a five-year prison sentence for espionage. Miss Kahlig-Scheffler is on trial in Dueseldorf on spy charges that could land her in prison.

Miss Kress has been freed from detention while police continue to investigate her case.

"This is a serious business," said a security official, who asked that he not be identified. "Because of the nature of their work, government secretaries, especially the personal secretaries of senior officials, have almost as much access to government secrets as their bosses. The bosses, who are almost always men, are generally much more aware than the secretaries of the security implications of their work."

Accomplished Seducers

That, he added, is why the Communists rarely try to seduce male officials. Instead, they use accomplished Lotharios such as Mr. Schroeter to seduce and even marry West German women who have access to secrets. In some cases, they even court women in nonsensical jobs, then steer them into occupations that deal with classified material.

The women they snare usually have no interest in ideology, politics or money, although some of them have received payment and gifts for information passed in the East Germans.

The courts have generally imposed light sentences on such women. None has received anywhere near the maximum penalty of 15 years in prison.

According to the security official, the government believes that adults, whether men or women, have a responsibility to protect the national interest. Every government agency, he said, tries to impress the need for security on its employees. Secretaries and other female employees are warned to beware of handsome strangers who are eager to please.

He said that officials with access to restricted material are re-

Giscard Backer Defeated in Vote

NANCY, France, Sept. 24 (Reuters) — Voters in France's Lorraine region today inflicted a humiliating defeat on Radical Party leader Jean-Jacques Servan-Schreiber in a parliamentary by-election seen as a test of the government's economic policy.

Mr. Servan-Schreiber, an outspoken supporter of President Valéry Giscard d'Estaing, lost the seat he has held for eight years to Socialist Yvon Tondou by a margin of 58.5 percent to 41.5 percent.

Today's election was a rerun of a disputed March election which Mr. Servan-Schreiber won by only 22 votes. Mr. Tondou said tonight that the victory showed the desire of Lorraine's voters to oppose the economic policies of Prime Minister Raymond Barre.

Blaming Havana, Moscow

Somoza Releases Letter From U.S. Congressmen

MANAGUA, Sept. 24 (AP) — Nicaraguan President Anastasio Somoza, bantling an uprising by guerrilla-led rebels, released a letter yesterday that he said was signed by 78 U.S. congressmen and that claimed the strife was caused by revolutionaries trained in Havana and Moscow.

The National Guard, Gen. Somoza's 7,500-man army and police force, said Friday that it had ended rebel resistance in Esteli, 90 miles north of Managua. It was the last of four cities that guerrillas of the Sandinista National Liberation front and rebel followers had held since Sept. 9.

Red Cross officials have estimated that about 1,500 persons were killed in the battles for the cities of Masaya, Chinandega, Leon and Esteli. There were reports that many of the guerrillas fled into the countryside before the guardsmen made their final assaults.

The letter that Gen. Somoza said was signed by the U.S. congressmen was addressed to President Carter Friday, Gen. Somoza's press secretary said.

The New Cuba

Copies of the letter given to reporters here said, in part, that irrefutable evidence amply documents that the campaign of violence, urban terrorism and civil war in Nicaragua is being carried out by a revolutionary group whose leaders have been trained in Havana and Moscow and whose goal is to make Nicaragua the new Cuba of the Western Hemisphere.

No details of the evidence were listed.

According to the copies, the con-

6 Astronauts To Get U.S. Space Medal

WASHINGTON, Sept. 24 (AP) — President Carter has named six astronauts as the first recipients of the congressional space medal of honor.

They are: Neil Armstrong, Frank Borman, Charles Conrad Jr., John Glenn Jr., Virgil Gribbin (posthumously) and Alan Shepard Jr.

Mr. Carter will present the medals on Sunday during a visit to the Kennedy Space Center at Cape Canaveral, Fla. The date marks the 20th anniversary of the National Aeronautics and Space Administration.

gressmen told Mr. Carter, "We urge you to do your utmost to demonstrate the support of the U.S. government for Nicaragua and President Anastasio Somoza, a long and consistent ally of the U.S."

They said that in the absence of such support, some sectors of Nicaraguan citizens have begun to collaborate with the Marxist revolutionaries.

Among the signatures on the copies were those of House Majority Leader James Wright, D-Texas; Rep. Samuel Stratton, D-N.Y.; Rep. John Flynt, D-Ga.; Rep. John Murphy, D-N.Y.; Rep. John Ashbrook, R-Ohio, and Rep. Robert Sikes, D-Fla.

Somoza Agrees to Meet

Gen. Somoza agreed Friday to the request by two Roman Catholic bishops and the head of a businessmen's organization to meet with opposition leaders to try and end the strife, but no meetings have been set.

On the same day, the U.S. Senate voted to eliminate \$8 million in development aid to Nicaragua because of Gen. Somoza's authoritarian rule.

Nicaragua was to receive \$2.5 million in military aid to finance arms purchases in this fiscal year ending Oct. 1. The state department blocked those allocations earlier because of alleged human-rights violations.

OAS Bars Involvement

WASHINGTON, Sept. 24 (AP) — The Organization of American States, heavily influenced by a potent block of military regimes, adopted a resolution last night that rules out any OAS involvement in settling Nicaragua's political crisis.

A handily won resolution, approved by consensus on the third day of a special OAS foreign ministers meeting, was a victory for Gen. Somoza and for the forces advocating strict adherence to the organization's non-interventionist principles.

A Mexican proposal to deplore and censure the excesses committed to recent armed clashes in Nicaragua fell one vote short of a necessary two-thirds majority.

The key paragraph to the final resolution took note of Nicaragua's willingness to accept "the friendly cooperation and/or conciliatory efforts that several members states of the organization may offer toward establishing the conditions necessary for a peaceful settlement without delay."

The United States and Venezuela had led the fight for an activist OAS role.



RHODESIAN RAID — Bodies of Mozambique Frelimo troops, killed during strikes by Rhodesian forces on guerrilla bases, lie beside wrecked Soviet armored personnel carriers.

Senators' Invitation Poses Dilemma for Carter

U.S. 'Reviews' Visa Bid by Ian Smith

By Robert G. Kaiser

WASHINGTON, Sept. 24 (WP) — The Carter administration is "reviewing" a request from Rhodesian Prime Minister Ian Smith and a delegation of officials from his multiracial regime for visas to visit the United States next month.

Twenty-seven senators led by S.I. Hayakawa, R-Calif., invited Mr. Smith, the Rev. Ndabaningi Sithole, one of the two senior blacks in his regime, and others to come to the United States to present their case for U.S. support.

The invitation is potentially embarrassing for the Carter administration, because a visit here by Mr. Smith would probably turn into a public relations event on behalf of his plan for the transfer of power to blacks in Rhodesia, a plan that the administration has thus far adamantly opposed.

Mr. Smith reportedly travels on a Rhodesian passport. Because his regime is technically illegal under international law, the United States does not normally recognize such a passport. Granting a visa would violate United Nations sanctions against Rhodesia, according to opponents of the idea.

But the administration's "human rights" campaign has included calls

for removing restrictions on the rights of persons to travel freely, as some of the senators who joined in the invitation to Mr. Smith have noted.

The administration is reliably said to feel that because of the uncertain situation in southern Africa, it would be well advised to wait for a while before deciding whether to grant visas to the Rhodesian delegation. Mr. Smith and the others made formal requests for visas through the U.S. Consulate in Johannesburg on Thursday.

One informed source said a final decision would probably be made by President Carter personally.

The United States did grant a visa earlier in the summer to Bishop Abel Muzorewa, who with Mr. Sithole is a key black member of the multiracial administration Mr. Smith established as a prelude to black majority rule in Rhodesia next year. Bishop Muzorewa apparently traveled on a British passport, which the United States recognizes. Rhodesia is regarded in international law as a British colony.

Given the precedent of the Muzorewa visit, an aide to Sen. Hayakawa said Friday that the administration's delay on this request did not make any sense.

Opponents of a Smith visit disagreed. For example, the board of directors and membership of TransAfrica, a black American lobbying group that seeks to influence U.S. policy toward Africa and the Caribbean, said in a letter to Mr. Carter that approval of the visas is prohibited by UN Security Council resolutions against Rhodesia.

The letter to Mr. Carter said: "By granting U.S. hospitality to the current Rhodesian leadership, the administration would devastate a fledgling constructive relationship between the United States and all of independent Africa by appearing to give at the very least a tacit endorsement to Smith's own legitimacy as well as to his plans for an internal settlement."

A TransAfrica spokesman said Friday night that the group was considering seeking a court restraining order blocking the issuance of a visa to Mr. Smith on the ground that this would violate UN sanctions.

The senators' letter inviting Mr. Smith stated that U.S. television networks "are eager and ready" to broadcast interviews with Mr. Smith if he comes here.

The letter also noted that a move in the Senate to drop sanctions against Rhodesia — a gesture that would amount to U.S. recognition of Mr. Smith's multiracial regime — was defeated by only a dozen votes last summer.

Only Contender

Moi to Succeed Kenyatta As President of Kenya

NAIROBI, Sept. 24 (UPI) — Daniel Arap Moi, a popular politician who served as Kenya's vice president for 12 years, yesterday became the successor to the late President Jomo Kenyatta without any dissent.

Although a number of formalities remained to complete his selection, the process became moot yesterday when Mr. Moi was the only candidate to submit his name for the presidency of the nation's only political party.

The executive committee of the party, the Kenya African National Union, will meet Oct. 6 to formally name Mr. Moi by acclamation as its presidential candidate.

No Plebiscite

As the only contender, Mr. Moi will be declared president Oct. 21 without having to submit to a national plebiscite.

Speaking to a crowd after the nomination process was closed, KANU acting Secretary-General Robert Matano said:

"I have no alternative than to accept [Mr. Moi] as the only candidate and I declare him as the sole candidate for the party, and therefore the nominee for the presidential election of the party."

Mr. Moi told his well-wishers that it was the duty of "every Kenyan to promote and maintain peace" and said that all leaders of the country have a commitment to "foster unity and understanding."

Mr. Moi, a 54-year-old former teacher, has been serving as acting president of Kenya since the death Aug. 22 of Mr. Kenyatta, who had led this east African nation since independence from Britain in 1963.

For all the speculation, primarily abroad, about the possibility of turmoil in Kenya following Kenyatta's

death, the political jockeying lasted only a few hours after the state funeral for Mr. Kenyatta. The next day, the entire Cabinet proclaimed their loyalty to Mr. Moi as leader of the nation.

Within days, virtually every politician with a significant following had joined Mr. Moi's supporters. The country's relatively free press quickly bestowed the title of president upon Mr. Moi.

Meanwhile, quiet but determined maneuvering has been going on for the vice presidency, which was vacated by Mr. Moi.

The vice president is appointed by the president.

Part of Mr. Moi's appeal is that he is a member of the tiny Tugen tribe, has no power base of his own and can be cast as the peacemaker in this ethnically diverse nation.



Daniel Arap Moi

Bonn Warns Secretaries On E. German Love Trap

(Continued from Page 1)

quired to limit the availability of such material to what is absolutely necessary for the secretaries to do their jobs.

However, a judge in one case described as "almost laughable" the ease with which secretaries were able to get their hands on security material.

The government's efforts, the security official admitted, have not prevented security leaks by secretaries in love. He said that the most vulnerable women are those in their 30s who fear that the passing years will diminish their chances for romance and happiness.

"They are afraid of loneliness in their middle and later years," he said. "That is why they are easy prey to any attentive man, Communist agent or otherwise. And once they are caught and realize that the man is more interested in secrets than to sex or love, it is very difficult for them to break away."

That was the case with Miss Berger, who was a secretary in the West German Foreign Office. During her trial in Düsseldorf last year, Miss Berger testified that she was so thrilled when she met Mr. Krause that she told him many office secrets, especially since he had told her that he was a British secret agent.

But even after she later learned that Mr. Krause was really an East German agent, she continued to supply him with information. "He was my great love," she testified. "I was very disappointed when I discovered he was not a British agent, but I kept on giving

Peter information because I did not want to lose him."

She admitted that she received about \$17,000 in cash and about \$4,000 worth of gifts for her assistance to Mr. Krause over a 10-year period that ended when Mr. Krause fled as West German agents closed in on Miss Berger. But she insisted that the money and gifts were only incidental to her desire to maintain her affair.

The information came from her jobs with the Foreign Ministry in Bonn, the West German Trade Mission to Warsaw and the West German Embassy to Paris.

Far more important information allegedly was passed by Miss Kahlig-Scheffler, who was a secretary to a high-ranking official in the office of Chancellor Helmut Schmidt. Her case is considered one of the more important in a country that, because of its geography and recent history, is plagued with an estimated 10,000 spies.

Miss Kahlig-Scheffler's material reportedly consisted of German position papers on the Helsinki conference dealing with European security. Bonn's reaction to increasing Soviet influence in Africa, its economic strategy, and East-West German relations and security matters.

The information, according to testimony at her trial, which is expected to last several weeks, greatly pleased East Germany. Mr. Schroeder reportedly wrote her a note saying: "Your last information was first class, everyone here agrees."

© Los Angeles Times

Bonn Defense Chief Asks Review of NATO Games

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that would weaken Bonn's attachment to NATO make it more accommodating toward the Soviet Union.

Bonn Backs Haig

Mr. Schmidt's chancellery backed Gen. Haig, and Mr. Apel also stated that he favored and understood the need for training.

Now, however, without endorsing what Mr. von Buelow said about provoking the East, Mr. Apel has said in a radio interview that "I have suggested to our friends in Brussels" at NATO headquarters "that we should get together after the maneuvers are over and discuss the military value, the military results and the political effect and presentation of these exercises."

"I'm not aware of any kind of tension" between Bonn and Brussels on this issue, Mr. Apel told his questioner. "I find it quite normal" to request such a discussion, he said.

"After all, it applies to NATO as well as to individual nations that the politicians decide how, what and why something is done." The implication is that it is not military men who should decide. While Gen. Haig is probably the most respected commander the alliance has had in many years, his critics argue that these exercises have grown to a point where they are personal advertisements for Gen. Haig and NATO.

Uncertainty at NATO

At NATO headquarters, there is some evidence of uncertainty over what Mr. Apel is up to.

"Haig was given authority by the civilian leadership of the alliance to draw together various NATO maneuvers into a coherent pattern," an official pointed out.

Sources in Bonn's chancellery, however, tend to confirm that officials here, despite their disavowal of Mr. von Buelow's initial remarks, do think that a fresh look is needed.

Mr. von Buelow argues that such large-scale maneuvers allow analysts on both sides to feed material to politicians that can cause an up-

ward spiral to the arms race. He also points out that the Soviet-led Warsaw Pact actually holds three times as many maneuvers as NATO but they are smaller, usually with fewer than 25,000 men each, and thus attract less attention.

A Bonn chancellery official privately put it this way:

"NATO maneuvers are more easily sold to the Third World" as a trial run for war, "while it is difficult to show that for Warsaw Pact maneuvers. So maybe we are passing up a psychological warfare victory. The Soviets have many more soldiers in maneuvers than NATO, but if you live in Zambia you are apt to feel NATO is the more aggressive."

A U.S. official says Mr. Apel's call for a review may be healthy in that East-West maneuvers now are open to observers from other countries. The 35-nation Helsinki conference agreed on such confidence-building measures three years ago. "So you've got to think a little harder now about what the impact is on the other side, whether we are sending the signals we want to send," he said. "Maybe we want to signal preparedness but at the same time it comes across as confrontation."

Opposition Fire

Mr. Apel's latest comments drew sharp fire from an opposition Christian Democrat parliamentarian Willi Weiskopf, who called the defense minister's remarks "irresponsible."

The dispute here between the government and opposition added a measure of doubt and frustration in many allied capitals, not about West Germany's allegiance to NATO, but about what it is specifically doing to meet the needs of a country really living in a state of emergency.

Mr. Schmidt and Mr. Apel recently have been appealing to the United States to protect European interests against new Soviet medium-range missiles and bombers pointed at Western Europe. Yet Bonn has not been able to sell Washington or NATO specific suggestions. In part, this is because of years of pressure from the Social Democrat left wing against any new arms build-up in West Germany.

A year ago a report by U.S. columnists that one option in the event of a Soviet attack was to withdraw from one-third of West Germany caused great consternation in Bonn and resulted in requests for reassurance from Washington.

Now, as one U.S. official points out, one of the clearest demonstrations of the commitment to defend West Germany — the large-scale maneuvers — seems to be bothering them.

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EGGS FOR EVERYBODY — A team of chefs in Peekskill, N.Y., pours eggs into a 24-foot by 122-foot frying pan in an effort to break the world record for the largest omelet. The event, a benefit for the Peekskill area Health Care Center Inc., called for 10,400 eggs, which were broken in a record 15 minutes, according to sponsors. The Guinness Book of Records reports that 6,720 eggs were used to set the previous omelet record two years ago in Belgium.

Small Texas Companies Suspected

Oil-Pricing Violations Alleged in U.S.

By J.P. Smith

WASHINGTON, Sept. 24 (WP) — Federal energy and law enforcement officials in Texas are investigating alleged oil-pricing violations by a small group of little-known yet

unusually prosperous companies that could be costing consumers as much as \$1.5 million a day. Since domestic oil price controls were established in 1971, federal regulators have been setting the prices of various types of oil, ranging

from \$5.55 a barrel for so-called "old oil" to \$13.50 a barrel, the uncontrolled world oil price. Old oil is largely crude oil from domestic wells that were in production before 1972.

A federal grand jury in Houston and other investigators are examining deals made by middlemen who are suspected of fraudulently reclassifying old oil for sale in higher price categories, thus earning as much as \$8 more per 42-gallon barrel.

In recent years regulators at the Energy Department and its predecessor agency, the Federal Energy Administration, have been unable to account for as much as 200,000 barrels of old oil that inexplicably "disappears" from the government's accounting system each day.

Equalized Costs

Under the complex regulations of the Energy Department, it makes little difference to the refiners whether or not they purchase the higher-priced oil because, in theory, all crude-oil costs to the refiner are equalized under the department's entitlements program.

The investigation is focusing on crude oil resellers among the small to middle-sized companies that make up "little oil" and account for a large share of the more than 400 oil companies based in Houston.

Originally, the resellers were companies that were literally engaged in gathering oil from producers and reselling it. As federal oil regulations — running more than 20,000 pages — mushroomed in 1973 and 1974, the number of resellers dramatically increased.

One of the reasons for the growth of resellers, investigators suspect, is that some of the companies were set up to generate power transactions that obscured the origins of the old oil.

'Felony Offenses'

Dana Caro of the FBI's Houston office said: "We are absolutely talking about felony offenses."

Mr. Caro, the assistant special agent in charge in Houston, called the reseller probe a "top priority white-collar crime investigation" that could lead to indictments under the racketeering statutes for mail and wire fraud.

Documents obtained by The Washington Post and informed sources say that among the major targets of the investigations are:

• Summit Gas Co., a Houston-based crude oil reseller that was 50 percent owned by Denver multimillionaire Marvin Davis. Summit has since been absorbed by another of Mr. Davis' companies.

• Coral Petroleum Inc., a Houston reseller that also operates a small refinery.

• Uni Oil Inc., a crude-oil reseller operating in Houston that also runs a small refinery in Ingleside, Texas. Uni Oil was established in December, 1975.

• Westland Oil Development Corp., a Delaware company that has been operating in Texas since the 1950s.

• Armada Petroleum Corp. of Houston.

Mr. Caro and Energy Department officials say that indictments could lead to forfeitures of companies' assets if the government could prove that illegally derived funds were used to form the reseller companies.

Quake in Southern Italy

BARI, Italy, Sept. 24 (AP) — An earthquake shook Apulia and surrounding regions of southern Italy this morning, slightly damaging buildings but causing no injuries, the head of the region's geophysical observatory reported. The observatory said that the tremor registered between 4 and 5 degrees on the Mercalli scale.

In State Supreme Court Ruling

Tax Revolt Law Is Upheld in California

By William Endicott

SAN FRANCISCO, Sept. 24 — The California Supreme Court has upheld the constitutionality of Proposition 13, the amendment on property tax reduction, declaring that it "survives each of the serious and substantial attacks made against it."

"Consistent with our own precedent... if doubts reasonably can be resolved in favor of the use of the initiative, we should so resolve them. This we have done," Associate Justice Frank Richardson wrote the 62-page majority opinion which was released Friday. It was signed by the other five associate justices.

Justice Rose Elizabeth Bird filed a separate "concurring and dissenting opinion" in which she agreed with the majority on all but one point.

"One issue remains which troubles me deeply," she said. "Under article XIII A [Proposition 13] property taxpayers are not treated equally and those sections which promote this disparity must fall." Her reference was to arguments against the measure which claimed that it violated equal protection guarantees in the U.S. Constitution because recent homebuyers will pay more property taxes than homeowners whose assessments are frozen, under its provisions, at 1975 levels.

Legal Clouds

Basically, Proposition 13 limits property taxes in the state to 1 percent of full cash value.

Despite the legal clouds that have hung over it from the day it passed, the Legislature and local governments proceeded to implement it on the assumption it would be upheld. County assessors throughout the state already have prepared new tax rolls based on it.

The decision's political impact undoubtedly will negate efforts by two conservative groups to unseat the chief justice when she faces voters in November for affirmation of her appointment by the governor.

But what effect it might have, if any, on the gubernatorial race between Gov. Edmund Brown Jr., the Democrat, and Attorney General Evelle Younger, the Republican, is unclear.

Gov. Brown campaigned against Proposition 13 but did a turnaround after two overwhelming approval in the June primary and has become one of its biggest boosters.

Mr. Younger's office defended the measure in court and the attorney general himself made a rare appearance during the oral arguments to tell the state Supreme Court justices it would be "tragic" for them to overturn it.

Mr. Brown said he was reserving comment on the court's decision until he could learn more about it.

But Mr. Younger said the decision "means the people have not lost control" and described it as "the end of a successful and peaceful revolution. The era of constantly increasing costs is over."

Proposition 13's author, Howard Jarvis, was elated when reached by telephone in Cleveland. He is on a 10-city tour to promote further tax cuts and Friday was his 76th birthday. "It's a wonderful birthday present," he said.

"I didn't think there was a ghost of a chance for them to overturn the amendment," he said. "I think Attorney General Younger said it right when he characterized each of their [Proposition 13 opponents] allegations as absurd. It just shows I'm a better private lawyer than all those public lawyers."

Bolivia, Sri Lanka Establish Relations

LA PAZ, Bolivia, Sept. 24 (AP) — Bolivia and Sri Lanka have agreed to establish diplomatic relations and to set up plans of economic and commercial exchange.

Bolivian Foreign Minister Ricardo Anaya and Sri Lankan Foreign Minister A.C. Shabul Hameed signed a joint statement Friday formalizing the new diplomatic links. The statement ended a three-day visit by the Sri Lankan minister.

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Los Angeles attorney William Norris, who represented 27 school and community college districts in challenging the constitutionality of the measure, said he would have no comment on the decision until he had read it.

There was no indication of plans to appeal to the U.S. Supreme Court, which has always refused to interpret state constitutions, but the equal protection argument stressed by Chief Justice Bird in her limited dissent, because it involves the U.S. Constitution, could provide a basis for such an appeal.

Los Angeles Times

U.S. Adopts '79 Budget; Lowest Deficit in 5 Years

WASHINGTON, Sept. 24 (UPI) — Congress adopted yesterday a 1979 federal budget with the lowest deficit in five years, and an influential senator said that a balanced budget may now be possible before 1985.

In a rare Saturday session, the Senate gave final congressional approval with a 47-to-7 vote.

The budget, for the fiscal year beginning Oct. 1, calls for \$487.5 billion in spending and a \$38.8 billion deficit. Those figures are \$11 billion and \$12 billion less respectively than projected in a target budget for the same year approved by Congress in May.

The new deficit is nearly \$22 billion less than President Carter first projected in January for 1979.

The session was called by Senate Democratic Leader Robert Byrd of West Virginia in an effort to reduce a heavy backlog of bills awaiting action before the adjournment of Congress.

The vote was on a compromise version of the budget negotiated by a House-Senate conference and approved last week by the House.

Lower Costs

Sen. Edmund Muskie, D-Maine, chairman of the Senate Budget Committee, said the reduced deficit was due in part to lower than expected costs in existing programs.

But some of the reduction, he said, was due to "deliberate congressional action to cut back on new programs." For that reason, he said, Congress could be proud of the budget.

"It gives us real reason to hope that we can balance the budget earlier than the 1983 target established in the budget process," he said.

The budget does not have to be signed and cannot be vetoed by President Carter. Congress set up a new budget process four years ago under which it prepares the only federal budget that is binding. The budget submitted by the president each January states the administration's goals and recommendations.

In scaling down its tentative May budget, Congress called for cuts in international affairs, community and regional development, fiscal

assistance to localities and housing. However, decisions in the budget on how spending should be divided are not binding on Congress when it considers specific legislation. They are only guidelines, although they have considerable persuasive weight.

Some Leeway

The only figures in the budget that are binding on Congress are those for total spending, revenues and the deficit. Thus Congress can shift the priorities outlined in the budget by taking away from one area and giving to another when it passes specific legislation.

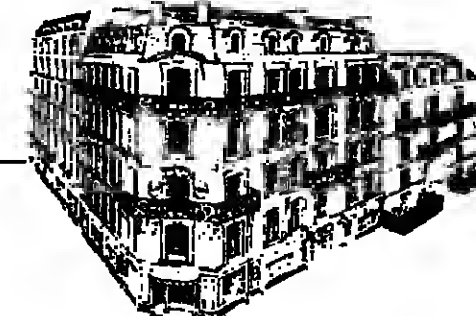
The budget makes room for general tax cuts during the 1979 calendar year of \$19.4 billion, or about enough to compensate taxpayers for higher Social Security taxes plus the effect of inflation has of pushing them into higher tax brackets.

The budget recommends several broad policies for Congress to pursue in later legislation:

• It contains provision for both college tuition tax credits and increased grants and loans for college education but recommends that Congress enact one of these programs, not both.

• It recommends lower spending for health through federal and private efforts to hold down inflation in health care.

• It calls for gradually reducing the number of anti-recession public service jobs and putting more effort into youth employment and bringing the unemployed into private sector jobs.



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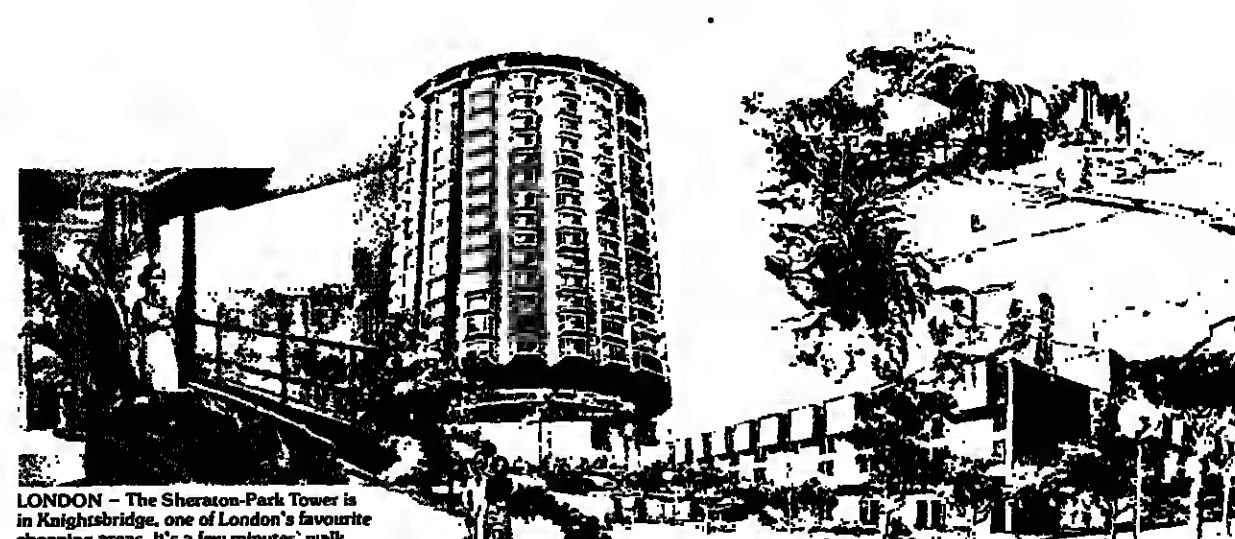
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Newspaper in Zurich Struck by Journalists

ZURICH, Sept. 24 (AP) — Switzerland's first newspaper strike hit the 70,000-circulation tabloid Tat of Zurich yesterday, with the publisher reacting by dismissing 54 organized journalists and editorial secretaries for failing to show up for work, strike leaders said.

The strike was called to protest the publisher's nomination of a new managing editor without consulting the editorial staff. A letter signed by most staff members, including two members of the interim editorial management, said they had no confidence in the new managing editor and that they had learned of his nomination only from news agencies.

Portuguese Train Hits Station; 2 Die

LISBON, Sept. 24 (UPI) — A speeding passenger train crashed into a village station last night, killing at least two passengers and injuring about 100 others, authorities said.

The national news agency said that authorities had recovered two bodies from the wreckage of four derailed cars that smashed into the platform at Tavero station.

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Interview Following Vance Visit

Hussein Voices Summit Pact Objections

The following is an interview given by King Hussein of Jordan, the first he has given since the summit meeting at Camp David. It was conducted by Arnold Borchgrave, a senior editor at Newsweek.

Mr. Borchgrave—Did [U.S. Secretary of State] Cyrus Vance's explanations change your perceptions of the Camp David accords or did they confirm your own reservations?

King Hussein—They confirmed our reservations. But they also gave us an opportunity to ask some hard questions about meanings and interpretations. He responded to some of them but not all of them and we are now awaiting answers to our key questions.

Q.—Were you encouraged by any part of the framework for peace in the Mideast?

A.—As it now stands we were not encouraged. It deviated from [UN Resolution] 242, which had previously been the U.S. position. Much has to be revised before it will become acceptable to us and to our Arab partners. The self-determination provision for the Palestinians is still very vague. It must include total withdrawal and Arab sovereignty over Arab Jerusalem. Otherwise there is nothing to negotiate about.

Q.—Why couldn't Palestinian Arabs take advantage of the Camp David rules, establish a local government with full autonomy and gradually enter into good relations with Egypt, Jordan, Saudi Arabia and so forth? That's how many states in the world achieved their independence.

A.—It's too early to say what our final position will be. We must, for example, know whether self-rule will include the people of Jerusalem. They make up one fifth of the West Bank population. There is also the Israeli settlements question.

Q.—What are Jordan's conditions for entering the negotiating process as it has been invited to do by the U.S.?

A.—We must know what lies at the end of the road, where we come out. There is a great imbalance between the two agreements. One—on Sinai—is very clear. The other is discouraging, to say the least.

Q.—If the Rabat decisions [at the Arab League summit conference of October, 1974, during which Jordan and other Arab states recognized the Palestine Liberation Organization of Yasser Arafat as the "sole legitimate representative of the Palestinian people"] were to be rescinded and your negotiating mandate restored by the nations principally concerned, would the Camp David framework be an acceptable procedure?

A.—I have serious doubts about that. Egypt would be out of the picture so to speak with its separate peace treaty. It would place tremendous limitations on us and weaken our negotiating position. A lasting, overall solution is our only concern, not a piecemeal, step by step approach. We must have a clear track if we are to take position steps.

Q.—Did Arafat give you any indication that he would be willing to hand back the negotiating mandate and let you give it another try?

A.—Our meeting was rather a pleasant surprise and most gratifying. Both [Libyan leader Col. Moammar] Qadhafi and Arafat warmly endorsed our steady course, which has finally gained recognition among those who

misunderstood us in the past. They expressed friendship and approval of our policies. We agreed to maintain close contact in the future in order to avoid the mistakes of the past. It's too early to talk about a resumption of the negotiating mandate.

Q.—Why were Qadhafi and Arafat so anxious to see you Friday?

A.—Because the situation is critical in the entire area. It was very moving to see them change their attitude toward us.

Q.—Did they invite you to join their summit in Damascus?

A.—No. What happened was that Qadhafi called me after Vance left and said he wanted to see me. When I agreed, he suggested a meeting in Damascus but that was not convenient because of my heavy schedule. I then invited him to Amman. He called back later and suggested a meeting on the border instead. We finally agreed on the Marafek Air Base. But I did not know Arafat was with him until they reached the border yesterday morning.

Q.—[Egyptian President Anwar] Sadat obviously does not feel that your hands are still tied by Rabat. Do you?

A.—Historically, Rabat was a very important development in the Arab world. It was a step forward in the Arab world. But we must know where we're headed first.

Q.—President Sadat says that if you feel you cannot get involved in the Camp David process, he will negotiate with Israel over the West Bank and Gaza and include some PLO members in his delegation. Any objections?

A.—Sadat is entitled to his own opinions. Until now he has succeeded in moving away from his commitments to his Arab partners.

Q.—How?

A.—By abandoning his insistence on the need for a comprehensive overall settlement.

Q.—Do you now feel closer to Syria's position or to Egypt's?

A.—Closer to Jordan's. But the Syrian position is not all that different from Jordan's. We both agree on 242 and the return of all the occupied territories. Including Arab Jerusalem, and self-determination for the Palestinians, in return for final peace in the area.

Q.—What did Vance have to say about the future of Israeli settlements on the West Bank?

A.—He didn't have any clear answers. We've heard so many conflicting versions that it is hard to escape the conclusion that Israel has not yet given up its expansionist designs in the remaining occupied territories.

Q.—The U.S. position is clear but it needs further clarification insofar as the Arab population of the city is concerned and whether or not they are included in the self-determination proposal.

A.—The U.S. listed quite a few advantages for the Arab side, including the return of all of Sinai. The end of Israel's military occupation of the West Bank and Gaza. The recognition of full autonomy for the Palestinians living there, the reduction of Israel's military garrison from 11,000 to 6,000 with the remaining troops to be withdrawn to specially designated areas, etc. Doesn't all this add up to a step forward, rather than the unmitigated catastrophe described by Syria?

Q.—If you were a West Banker, wouldn't you be tempted to give the self-governing plan a try and hope that you can then expand it at the end of the five year period. After all, the accords say that no later than the third year, negotiations will begin to determine the final status for the West Bank and Gaza.

A.—I'm not a West Banker, and I cannot speak for them. But my own family has been linked to Palestinian rights since the beginning of this century. Looking back at the long, dismal record of Zionist expansion in the area, plus recent statements, there is no room for optimism.

Q.—If you don't get involved, isn't there a danger of Israel creating a sort of Arab Bantustan [a black enclave of South Africa with limited self government] of the West Bank?

A.—We definitely will be involved if we know that the end result will be satisfactory. Short of that, we cannot move, and no amount of pressure, regardless of where it comes from, will change our mind.

Q.—Egypt and Israel and other interested parties, according to the agreements, will work to establish agreed procedures for a prompt, just and permanent solution of the refugee problem. What is a practical solution in your judgment?

A.—Return of the refugees or compensation, as provided by countless U.S. resolutions and as stated by President Carter himself.

Q.—Are you planning to go to the U.S. in October as requested by President Carter?

A.—No. I don't think it would be proper to go in the middle of the [U.S.] election campaign. I will probably go early in the new year unless new developments warrant an earlier trip.

Q.—King George VI, Elizabeth's father, came to encourage the hard-hat city during the gullest part of the war. "Keep on with the work," he told the cathedral builders, "if only in a small way. Refuse to be beaten."

Liverpool's Anglican Cathedral is almost finished after 74 years. Its dedication by Queen Elizabeth II on Oct. 25 will probably mark the end of the age of great cathedrals in Britain and much of the world.

"It will never be done again—this will be the last one," the Rev. Gordon Bates, canon preacher of the Liverpool Diocese of the Church of England, said Thursday.

The magnificent Gothic revival structure overlooking the River Mersey is the fruit of Victorian dream. It was conceived during the last days of Empire and begun during the Edwardian optimism.

The work was barely slowed by two world wars and German bombs. It continued through bankruptcy, labor strife and calamitous rising costs. Not even the skepticism that came with postwar socialism could stop it.

However, modern industrial inefficiency has had the last word. The building will not be complete for the completion ceremony. The last door, the one for the main entrance, cannot be installed in time. It has to rest on a piece of stone that cannot be quarried because the quarry's crane has been broken for two months.

Liverpoolians are not daunted by adversity, though. In a city that has been losing people, prosperity, factories and jobs for a generation, one more mechanical breakdown is not taken seriously. They have told the queen that she will have to go through the side door.

Liverpool Cathedral Near End of Long Construction

By Roy Reed

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Likely Successor to Husband

Mrs. Marcos's Influence Growing in Philippines

By Jay Marthens

MANILA, Sept. 24 (WP) — When Imelda Romualdez married Congressman Ferdinand Marcos just 11 days after she met him in 1954, the impulsive young woman seemed destined to be little more than an unusually decorative political wife.

Now, as her husband begins his seventh year of one-man martial law rule over the 44 million persons of this former U.S. colony, there are growing signs that she will be named his successor. It is a prospect that angers Mr. Marcos's opponents and worries diplomats. But it does not surprise anyone who has watched Imelda Marcos's political performance during the last few years.

Mrs. Marcos, now a Cabinet minister and governor of greater Manila, has denied for weeks that she will be appointed to the post of deputy premier, second to Mr. Marcos, who serves as premier and president. But last week she called in a Filipino reporter working for a foreign news agency to say that she might have to accept the appointment and someday succeed her husband to save his political legacy.

Although Imelda Marcos appears to be an energetic administrator, she is not as careful a politician as her husband and has generated some resentment. She likes fine jewelry, all-night parties and shopping trips to New York. Mr. Marcos himself stops just short of being an ascetic. In approaching people she says, "The president thinks his way in; I feel my way in."

Seen as Erratic

The thought of her heading the government bothers some U.S. diplomats. They see her as an erratic person who may not share her husband's personal commitment to the United States, forged when he fought alongside the Americans in World War II. Washington still is this country's principal ally despite Manila's increasingly nationalistic foreign policy. For instance, Mrs. Marcos recently suffered a minor disaster when, ill-prepared, she met U.S. congressmen in Washington and tried to finesse their complaints about the Marcos administration with pure charm.

Her effort to project the image of a private person reluctant to assume the reins of power also has begun to wear a bit thin here. Both she and Mr. Marcos have denied vigorously that she would be appointed deputy premier, but long-time observers noted that the couple had issued the same denials before she was selected as Manila governor and as leader of the pro-Marcos Manila slate in the April election for an interim National Assembly.

In a recent interview with Agence France-Presse, she acknowledged that she had begun to change her mind. In the event of a difficult transition following Mr. Marcos's death or incapacity, "who

else can the president rely upon to lead the Philippines during this stage except somebody very close to him?" she asked. She added: "I did not ask for this. I did not start this. In fact I was against it."

Mr. Marcos can make the appointment any time he wishes. He and his wife have had their occasional disagreements, and it is possible that he is still worried about the adverse reaction abroad and at home to her appointment. He passed up a chance to make the announcement during his address on the anniversary of martial law, Sept. 21, 1972, declaration of martial law.

But few here are willing to bet against the appointment. And the opposition is attacking it as if it had already taken place.

"A dynasty is against the democratic spirit, sensibilities and wishes of the Filipino people," said a statement signed by a group headed by former President Diosdado Macapagal. "If his wife managed to succeed him despite the expected conflict and bloodshed, it will pave the way for her in due time to have one of their children become her successor."

Mrs. Marcos prefers a more conscious justification for her deep involvement in her husband's government: "We completely complement each other, like the yin and the yang."

The oldest of their three children, Imee, a recent Princeton graduate, has shown some interest in politics and now heads a national youth group. But many think it unlikely that the family could hold onto power without Mr. Marcos there to wield his skill at keeping the country's key military, economic and religious forces in balance.

Mr. Marcos declared martial law six years ago at a time of antigovernment riots, much crime and some reported attempts on his life. He muzzled what was once the most antigovernment press in Asia and the recent election of a National Assembly that was supposed to assume some of his legislative powers.

Worst Problem

His worst problem is a war against southern Muslim separatists, whom he has tried to buy off. He keeps his most attractive political opponent, former Sen. Benigno Aquino, in jail. August McCormick Lehman, an American who confessed to being the triggerman in a plot to kill Mr. Marcos, was recently pardoned, however, to encourage other Marcos opponents to see the light. Lehman married the daughter of one of his jailers, expressed his loyalty to Mr. Marcos and has been set up in a Manila export business by Mr. Marcos's intelligence chief, Maj. Gen. Fabian Ver.

Mr. Marcos, who celebrated his 61st birthday Sept. 11, is still vigorous, youthful-looking and apparently healthy. Although his wife is reluctant to give her age, government press aides say she is 49.



HATTERY WILL GET YOU, SOMEWHERE — If the traveling Sundown Hats store can sell Western-style 10-gallon hats at the fair in Great Barrington, Mass., it can sell them anywhere. Here Alice Tetreault, 18, of Adams, Mass., considers purchasing a cowboy topper.

After Long History of Denials

China Concedes Inflation Is a Problem

By Fox Butterfield

HONG KONG (NYT) — China for the first time has acknowledged that inflation has become a problem for some of its people.

The admission came in the form of a letter to the editor of the official party paper, *Jenmin Jih Pao*, by two persons who were said to be Peking residents. The writers complained that the prices of fruit and vegetables in the Chinese capital had increased considerably this year, with the cost of grapes doubling to about 21 cents a pound.

"Most residents of Peking are families of four and five," the writers said. "Most do not have high incomes. What shall we do if this situation continues?"

Matter of Faith

Foreign analysts were intrigued by the letter, because the Chinese Communists have long insisted, virtually as a matter of faith, that there is no inflation in China. The Communists have been particularly sensitive about inflation because their victory over the Chinese Nationalists in 1949 was due, in part, to years of runaway prices under the old regime.

The analysts caution that the letter's description of increased prices for beans, tomatoes, persimmons, melons and other foods does not mean the return of wholesale inflation in China, because a large proportion of fruit and vegetables is sold in private or free markets, rather than in government stores. And the authorities have never been able to regulate prices in the free markets as fully as they do with staples like rice, cloth and cooking oil, which are rationed and sold in state shops.

But the admission of increased prices for some goods suggests that the wage increase given to about 60 percent of China's urban work force earlier this year may have had an effect on prices.

Before the wage increase was decreed, as part of Peking's pragmatic push for economic development, most workers had not had a pay raise for two decades.

Some economists had forecast that the wage increase could lead to inflation unless Peking made simultaneous moves to expand the supply of consumer goods to soak up the new funds.

More Realistic View

The appearance of the letter also seems to reflect a new, more realistic willingness on the part of the Communist leadership to acknowledge problems like inflation, shortages and difficulties in motivating workers. In the past, the Communists have simply denied that there was any inflation and claimed that they had overcome it through austere budgeting practices, tight control of wages and isolation of the country from international price fluctuations.

Western economists generally agree that the Communists have had an impressive record in controlling inflation, but they believe there have been some hidden price rises.

Another indication of the Communists' new candor is that a book long on sale in Peking's bookstores, "Why China Has No Inflation," has disappeared in the last few weeks.

Moreover, a Japanese politician

who recently visited Canton reported that his tour guide conceded to him that her family's income was not really enough to make ends meet. The woman said that she and her husband each made about \$33 a month — a relatively high salary in China — but that with four children to feed, they had not been able to save any money.

Until recently, such a disclosure would have been very unusual from a Chinese.

To help prevent the new wage increase from putting too much pressure on prices and to try to satisfy a long pent-up demand for more consumer goods, Peking has begun to

import more Western luxury items and offer them for sale in department stores.

Diplomats in Peking say that stores there are now selling Japanese color television sets, Swiss watches, synthetic fabrics and cameras, with the goods often being quickly sold out despite their high price (up to \$1,500 for a 20-inch color television set).

Last year China spent about \$69 million to import such luxury goods, some Western figures suggest, not a large amount but up 80 percent over the previous year. This year, the total may be more than \$100 million.

Can Control Boll Weevils, Worms

Scientist Says Fire Ants May Not Be All That Bad

By Bayard Webster

NEW YORK, Sept. 24 (NYT) — The fire ant, which has a reputation for ferocity and pain infliction between that of the yellow jacket and the man-eating shark, may not be all bad, a Texas A & M entomologist has discovered. In fact, it may sometimes be beneficial.

The finding was made by Dr. Winfield Sterling, an entomology professor at the Texas A & M University in College Station, Texas. Prof. Sterling has worked in cotton fields for the last seven years in an attempt to find better ways of controlling boll weevils and bollworms, which have become resistant to most pesticides. He found that the red fire ant was a voracious predator of the cotton worms and weevils.

In controlled tests on cotton farms near Huntsville, just north of Houston, Prof. Sterling and a team of graduate students and technicians found that as many as 85 percent of young boll weevils and 93 percent of bollworm eggs were eaten by fire ants without damage to cotton crops.

He said that, as he and his researchers began testing cotton plots by using nontraditional pesticides, they noticed that in the plots with the least pesticide use there were fewer bollworms and weevils.

Weevils Decreased

"We also noticed that there were lots of ants around," he said. "And after a couple of years of no pesticide use we noticed that the ants increased and the weevils decreased," he added. "And last year on one field where we used no pesticides at all we found many ants and there was no economically significant damage from weevils or bollworms."

The boll weevil is a quarter-inch-

long beetle. It lays its eggs in the cotton boll and the beetle larvae, when hatched, destroy the cotton. The bollworm, a moth, lays its eggs on the cotton plant's leaves and the hatched worms feed on the boll. In experiments with infested crops, Prof. Sterling found that fire ants, which range from 1/4 to 1/2 of an inch in length, would avidly eat bollworm eggs, weevil larvae and even young boll weevil beetles.

"All of this is greatly surprising to us," said Prof. Sterling, whose findings on fire ant predation on weevils has been published in the current issue of *Environmental Entomology*. "We have read for years that the boll weevil has no effective biological control agent. But here, in the fire ant, is a predator we didn't even know about that already existed in nature," he said.

Opposition Expected

Although he is aware that there will be considerable opposition to any proposals for using the beneficial attributes of fire ants, Prof. Sterling noted that his field tests showed that cotton can be grown with little or no chemical treatment, an almost unheard-of occurrence in the boll weevil and bollworm infested areas of eastern Texas.

"It gives us great hope that the cotton insect pest management program can be developed without the wide-spectrum insecticides that are now in use," he said.

The fire ant is found in almost all southern states. Its venomous sting is usually painful and can occasionally cause serious reactions. Mirex, the favored chemical for fire ant control, was banned in June because it breaks down into kepone, a long-lasting carcinogen.

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Report Emphasizes Need For Recycling Incentives

By Deborah Ward

WASHINGTON, Sept. 24 (IHT) — Recycling should become a central organizing principle of our economy if the world is to learn to live with restricted and dwindling supplies of minerals, energy and other resources, asserts Denis Hayes in a new Worldwatch Institute report.

At least two-thirds of the materials that are used could be recycled without substantial changes in lifestyles, Mr. Hayes said. The technology exists to accomplish this level of recycling, but the social commitment is lacking.

The Worldwatch Institute, funded in part by the United Nations, is a research organization that aims to study environmental problems in the world.

The report said that the absence of a recycling commitment is not only hurting U.S. resources, it is also very costly. "More than one-fifth of the total U.S. energy budget is spent on materials production," Mr. Hayes said, "and that fraction is rising as increasing amounts of more expensive energy are used to mine and process poorer and poorer grade ores."

For example, the report says that only 4 percent as much energy is required to recycle aluminum as to refine bauxite ore. The energy needed to process copper and plastics is also reduced by about 95 percent when recycled copper and plastics are processed.

"Disposable plastic containers that are discarded without thought by the Japanese would be carefully used and reused by Tanzanian villagers," Mr. Hayes said. "The Japanese, in turn, are aggressive purchasers of scrapped U.S. automobiles, leading to the quip that this year's Buick is next year's Datsun."

Way to Cut Waste

In addition to conserving energy and resources, recycling also cuts waste, Mr. Hayes said. In the United States, almost one ton of solid waste per person is collected annually from residential and commercial sources. Most of this waste is deposited in open dumps, which now must be created at the rate of 500 a year.

According to Mr. Hayes, this problem can be alleviated by implementing three complementary recycling strategies: waste separation, waste recovery and waste reduction. Waste separation, in particu-

lar, is an effective way to recover materials such as glass, aluminum, ferrous metals plastics and papers for recycling. About 500 source separation programs are already under way in the United States and more comprehensive programs are under way in other countries.

Sweden, for example, will require the separation of newspaper from all other garbage in homes, shops and offices by 1980.

In Switzerland and West Germany, large glass recycling operations have been consuming increasing amounts of recycled glass for a number of years now.

Mr. Hayes cited Leningrad as a good example of a city that is doing something about waste. By 1985, the city of 4.3 million expects to process all of its municipal solid wastes through a huge resource recovery plant.

Although several small steps are being taken to encourage recycling, Mr. Hayes emphasized that more economic and social incentives are needed "to develop a material-recycling efforts can not only be legislated, broad public support is necessary if we are to make the most of what we already have."

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For Laos Tribe, Ex-Allies of U.S., Bitter Battle Against Hanoi Goes On

Ogden Williams, a former New York lawyer and a CIA officer from 1951 to 1961, resigned to join the Agency for International Development in 1962. He was associate director of the U.S. AID mission in Vietnam in 1966-69. He retired from AID in 1974 and is now a free-lance writer.

By Ogden Williams

NONG KHAL, Thailand (WP) — Nhia Kao Yang, 32, slipped quietly into the muddy waters of the Mekong River, the border between Laos and Thailand. It was March 11, the night was dark at 3 a.m., and Yang could wait no longer. His family had not eaten for 10 days and would soon be too weak to move. Hearing no patrols, Yang signaled his wife to slide forward two crude bamboo floats. He put their four children on the floats, tied the family together since none could swim, and pushed off into the deep water toward Thailand and safety. Forty-five minutes later they staggered onto the Thai shore.

For Nhia Kao Yang, former paid soldier for the U.S. government, the Indochina war was finally over. He still carried his U.S. rifle. Now he would surrender it for the first time and join the ranks of the Meo refugees in Thailand.

Yang is one of the more than 4,000 Meos who have fled from Laos into Thailand since March, joining about 40,000 earlier Meo refugees. They are fleeing what appears to be a campaign of extermination being waged against them mainly by units of the Vietnamese Army which occupies and controls much of Laos.

The current offensive against the Meos began on Feb. 10 in the region of Phu Bia, Laos' highest mountain, which rises 9,246 feet above the southern edge of the Plain of Jars, about 80 miles north of Vientiane. The Vietnamese first bulldozed roads to bring Soviet PT-76 tanks into action. Vietnamese MIG-21s and Laotian T-28s hit the Meo villages with bombs and napalm while artillery, both captured U.S. 155s and Soviet 120s, pounded Meo positions, manned by about 3,000 lightly armed tribesmen who were trying to protect 55,000 unarmed villagers.

Final Solution

At the outset, observers in Thailand were unsure whether this attack was just a standard dry-season punitive operation against the Meos, or whether it truly represented a Vietnamese "final solution" for the unconquered tribesmen, as the refugees seem to believe. But the campaign has continued without letup into the rainy season. And new measures, such as the poisoning of waterholes, the systematic burning of villages, foodstocks and growing crops, and the dropping of a poisonous gas which most observers assume must be test gas but which appears to have caused some deaths among refugees reaching Thai hospitals, all lend some credence to the refugees' view.

Survivors of the fighting say that the Meos had suffered more than 5,000 casualties in the Phu Bia fighting up to the end of May, and that 3,000 more had tried to flee to Thailand. About 2,200 entered Thai refugee camps between March 1 and May 1, and Thai police officials think that about 1,000 more died during the long trek from Phu Bia to the Mekong. Since May 1, the refugee flow has continued at a

rate of more than 500 each month. Thousands more who have been unable to escape and have retreated farther into the mountains are facing starvation.

Nhia Kao Yang fought for five days — until Feb. 15 — before deciding that the battle was hopeless. Then he and his family joined a group of 46 in a break for the Mekong, where they arrived after 11 days of forced marches. For 15 more days, the party waited for a chance to cross, evading the three companies of Laotian troops which patrol a 20-mile stretch of the Mekong opposite Thailand's Phou Phai District. Their orders, according to defectors in Thailand, are to capture any escaping Meos who surrender and kill any who resist or enter the water.

About a week after Yang crossed the Mekong, Laotian patrols caught several hundred Meos. They were taken to nearby Pak Sane and then to the capital, Vientiane, where on April 6 they were seen passing through town on their way to "seminar" — as the Laotians call their re-education camps — and to the labor battalions.

Most Dangerous Time

The crossing of the Mekong is the most dangerous time for those escaping from Laos, as Thai records show. Thai police of Bung Kan District counted 26 Meo bodies floating past their post on March 26. On May 3, a refugee attempted to cross with 13 members of his family. Only one made it. Drowning is at least as great a danger as gunfire for the exhausted and starving escapees, since few Meos know how to swim.

Yang was 16 in 1962 when he began fighting in the U.S.-sponsored Meo army of Maj. Gen. Vang Pao. For 13 years, he and his tribesmen were able to deny much of northern Laos to the North Vietnamese Army, tying down at least two North Vietnamese divisions which could otherwise have been used against South Vietnam.

At the war's ostensible end in April, 1975, Yang, now a captain and deputy company commander, was with a 1,000-man Meo contingent at the key road junction of Sala Phou Khom, still blocking the North Vietnamese thrust toward Vientiane. And it was categorical orders from Vientiane, not their enemy, which finally forced the defeated Meos to stand aside. Through no fault of theirs, the Communist victory in Laos was complete.

About the time of World War II, a tribal dispute split the Meos into two antagonistic factions. The larger, numbering perhaps 350,000, was led by Touby Lyfoung and allied itself with the French. A smaller group of less than 100,000 under Faydang Lor sided with the Japanese and later with Ho Chi Minh's Viet Minh. When the Americans came on the scene in the late 1950s and early 1960s, it was from Lyfoung's early recruits, by now fiercely opposed to the Communist Vietnamese — that the so-called CIA secret army was eventually formed. At its peak, that force numbered about 40,000 — 10,000 elite guerrillas and about 30,000 village defense militia — all supported and paid by the U.S. government through the CIA.

The Meos were probably not aware at first that they were to be trapped between two contending political forces — a Vietnamese expansionism backed by China and the Soviet Union, on the



A Meo hamlet in Laos after being struck by enemy guerrillas.

one hand, and a U.S. policy of containment, on the other. The Meos were just delighted to receive help from a powerful friend in their struggle against the traditional Vietnamese enemy.

Less Concerned

The Meos were even less concerned as to which particular U.S. agency was giving them guns. In 1962 they could not foresee that the United States would one day reconsider its policy, or that they would find themselves branded by the victorious Communists as "tools of the CIA." The Meos have never considered themselves the tools of anyone. They regarded the Americans as trusted allies, not masters. But the Meos' CIA connection has given the new rulers of Laos the perfect propaganda pretext for the policy of near-genocide which they have waged against them since the war officially ended in 1975.

For 13 years the Meos had borne the main burden of the war in northern Laos, paying a terrible price for the U.S. decision — and theirs — to block Hanoi's push into

that strategic area. Vang Pao, now an exile in the United States, estimates that his people suffered 30,000 casualties from a population base of 350,000. On several occasions, particularly in 1971 and in 1972, the Meos staged epic defenses on their never-conquered stronghold at Bouam Long, north of the Plain of Jars, repulsing one, and later two, divisions of North Vietnamese regulars — but always at a fearful cost.

The end of the war in 1975 did not halt the decimation of the Meos. Without counting the current offensive, Communist operations are estimated by Vang Pao to have cost his people 14,000 casualties from among the 90,000 Meos who still resist subjugation.

The question is often asked why the Meos do not surrender, given the hopelessness of their situation. Meo refugees in Thailand reply that surrender is not a real option for those who were associated with the Vang Pao forces and with the Americans. They insist that such people, including women and children, are often simply shot.

According to confirmed informa-

tion, those surrendering Meos who are not shot are taken to "seminar" and then sent to labor battalions from which, since 1975, only a few escapees have returned. Thus Meo resisters feel that surrender amounts to a death sentence and that only two real choices remain — to go on fighting with an ever dwindling supply of arms and ammunition, or escape to Thailand.

Flee to Thailand

Vietnamese, Laotians and Cambodians have been fleeing by the thousands since the Communist victories in their countries in 1975, and Thailand happens to be the only place where most of them can go. As a result, in May there were more than 100,000 refugees from all three countries in the 15 official Thai camps supported by the United Nations High Commission for Refugees. And about 59,000 others had already left for resettlement.

The attitude of the Thai government has gone through three phases. At first, in 1975, the Thais offered unrestricted entry, assuming that the refugees would be prompt-

ly absorbed by other countries and that the flow of new arrivals would diminish. However, both assumptions proved wrong. Thus the January, 1976, camp population of 60,000 climbed to 89,000 by August, 1977, despite the resettlement of more than 20,000 in other countries. About 70,000 of the incoming total had come from Laos.

On Nov. 15, Thailand announced a new policy under which refugees were to be turned back. Thai police, seeing refugees attempting to cross the Mekong, reportedly fired rifles in the air to alert the Laotian patrols, who then shot the escapees in the water.

The exclusionary policy has now been modified. New arrivals are confined in district and province detention centers under harsh but not abusive conditions for one to three months, after which, if it is determined that they have relatives in the UN-supported Nong Khai camp or are bona fide political refugees, they are permitted to join the earlier arrivals in the camp.

Almost all the recent escapees end up here at Nong Khai. As of May 30, the camp had a population

of 17,078 Laotians and 7,378 Meos. About 80 percent of the Meos are families in which at least one member fought in Vang Pao's army.

Food, mosquito nets and other necessities are provided by the United Nations, using funds contributed by 18 non-Communist countries. The U.S. donation averages about 65 percent of the total. In 1977, the U.S. share was \$9.9 million out of a total of \$16.4 million covering all 15 UN camps in Thailand.

The food ration, calculated at 50 cents a person a day, is apparently enough to maintain basic health, and there is a small hospital run by two International Rescue Committee doctors.

Sobering Experience

Nevertheless, a visit to Nong Khai is a sobering and troubling experience. It is not the overcrowding, the stifling heat and the minimal living conditions. It is rather that these proud and independent people are condemned to live in a state of suspended animation. They cannot return to the mountains of Laos. The Thai government will not let them settle in Thailand, and other countries such as the United States accept only a few of them after long delays.

Most of the Meo refugees want to go to the United States. Many have relatives there and many knew Americans during the war and retain a trust and liking for them. They mention the CIA advisers who they knew by such names as Mr. Tony, Digger, Kayak, Bamboo and Black Lion. They are also hard workers and have heard from their relatives that the United States is the place to get ahead. Finally, they do not think the United States will ever become Communist.

However, under U.S. immigration policy few are granted entry. The United States has taken about 7,000 Meos from the original Vang Pao contingent which escaped in 1975, but there are about 40,000 Meos still in Thailand. Of this number, about 18,000 consist of families in which the breadwinner fought or worked for the U.S. government. These people are given preference, but no one is admitted to the United States unless immigration spaces are available.

Last year the U.S. attorney general authorized 8,000 spaces for in-land refugees from the Thai camps, and 4,897 of these spaces were reserved for former Meo allies. In May, Vice President Mondale announced a new program for 25,000 spaces, of which half would go to the Vietnamese "boat people" and

the rest to inland refugees. The Meos are expected to receive about 5,500 of these spaces. Thus, even when all Meos eligible under all current U.S. programs have left for the United States, about 7,500 will remain.

[On Thursday, the Senate approved and sent to the White House a major change in the immigration law that would allow more Indo-Chinese refugees to enter the United States. Under the current law, natives of independent countries in the Eastern Hemisphere are limited to 170,000 immigrant visas a year and those in the Western Hemisphere to 120,000. The bill would combine the two limits for a worldwide ceiling of 290,000.

[The present preference system would remain in effect under which refugees have seventh priority and get 6 percent of the overall ceiling. This would aid Asian refugees since the visas slated for Western Hemisphere refugees have been largely unused.]

Ability to Adapt

The Meos who have been admitted to the United States are generally considered to have shown remarkable ability to adapt to life there. They have good mechanical aptitudes and are industrious students, quick to learn new skills. They have modest initial expectations and work hard to improve themselves.

In any case, the United States armed and encouraged these people to fight a war in which they suffered enormous losses, and then abandoned that policy, leaving most of them behind to suffer the consequences. We owe them something better than hopeless stagnation in a Thai refugee camp.

One logical, practical and honorable solution would be for the Congress simply to decide that any Meo refugee who worked for the United States or fought for its programs on our payroll will be entitled to entry to the United States, unless access first by another country or otherwise excludable under U.S. immigration law.

Subsequent legislation, obviously, would not address itself to the captive Indo-Chinese refugee question. It would not take into account the plight of Cambodians who, although they did not work for us or with us, would nonetheless deserve our attention on humanitarian grounds alone. Nor would it deal with other Laotian refugees, but it would be one specific and feasible measure by which we could do justice to a brave and resilient people to whom we owe a special debt.

Sadness Prevails as Whites Await End in Rhodesia

By David Lamb

SALISBURY, Rhodesia — The words are brave, even defiant, but everyone knows that the end is near, with sadness the dominant mood amid the killing, hatred and fear.

War has spread across this land with terrible savagery on both sides, sparing no one.

Rhodesia's whites had convinced themselves that they were different from others who came to Africa as colonists and stayed as settlers. Like people of any color anywhere, they agreed only reluctantly to surrender power, for they had much to

lose. But the concessions may have come too late.

The war costs Rhodesia \$1 million and about 30 lives a day. Every day an average of 36 whites take "the chicken run," abandoning one of the world's most pleasant lifestyles for futures elsewhere. And almost every evening the 6 o'clock television news starts with this terse announcement: "Combined Operations Headquarters has issued a communique."

The newscaster pauses. The viewers wait. Then the casualties: "Rifleman Whittemus Nydam, 22 and single. . . Field Reservist Peter Gordon, 23 and single. . . Pvt. Colin Granger, 18 and single, an unnamed African family of six, burned to death in their home. . . a Melseter couple, James Syme, 73, and his wife, Helen, murdered in their home. . . Robert Smallman, 26 and married, killed in an ambush near his farm. . ."

Adjustments

"You can't help getting depressed," says Eileen Sawyer, social services officer in Salisbury. "But you adjust your life, even though this isn't a carefree place anymore. You hope that things will work out, that the killing will end."

"It's got to end. We've got to find a solution, got to get people talking at an all-parties conference before it's too late. Most people realize this, except for a few whites who still think everything's going to be as before. They, of course, are living in a fool's paradise."

Across town, past the parks full of purple-blossomed jacarandas and fountains that shimmer in the sun of warm spring days, an elderly, pencil-thin man named Guy Larche sits at his desk. A clothier by occupation, he is chairman of the rightist Rhodesian Action Party. On the wall behind him hangs an inscription of Rudyard Kipling's poem that begins: "If you can keep your head when all about you are losing theirs. . ."

White Rhodesia, he says, is getting weaker and weaker, and he asks a visitor how he would feel if Americans were suddenly told to hand their country over to the Indians. His solution: Invade Zambia and Mozambique to wipe out guerrilla camps and partition Rhodesia into six states, five for the major tribes, one for the whites.

"If things drift along as they are, there will be bloodshed in this country," he says, overlooking the fact that there already is. "As for me, I'd have to leave if a black government comes in. With what I stand for, my life wouldn't be worth five cents."

One way or another, a black government is coming in to rule an independent Zimbabwe, and any-

thing with the name Rhodesia on it already is a collector's item. Stores have sold out their supply of Rhodesian flags, coins are being made into pendants, there is not a game of "round Rhodesia" — a local version of Monopoly necessitated by sanctions — available anywhere.

Souvenir shops are doing a land office business in T-shirts printed with "I'm proud to be a Rhodesian" and "Rhodesia is super." (Some say on the back, "But Zimbabwe is better.") Those are not worn in public. Another popular T-shirt pictures the face of a white infantryman, identifying him as a "multitool destroyer."

Like any war, this one has produced its own vernacular (to kill a guerrilla is to "slaughter a floppie," its own melancholy songs. ("There's a boy on the border, and that boy is in my heart"), its own strange disregard for life. ("The first thing my son asks me when I get back from reserve duty is 'how many gooks did you kill today, dad?'" says a civil servant.)

"I can't tell you why we [blacks and whites] don't loathe each other, but we don't," says a white businessman, Lance Reynolds. "There is a considerable amount of goodwill on both sides, but right now there is also a growing sense among whites that the situation is about to get out of control."

An Exodus

Government officials estimated that as many as 40,000 whites have left Rhodesia, mostly for South Africa and England, in the last 18 months. At least 200 farms have been abandoned or sold for a pittance. Everyone has a contingency plan "if Zimbabwe turns into a Congo or an Angola." Predictably, the government's still-active recruitment of white settlers has fallen on slow times.

"Let's be honest," says Ian Campbell of the immigration department. "If you were sitting in the U.K. reading about massacres and planes getting shot down, would you uplift yourself and your family at this point in time and move to Rhodesia?"



Rhodesian security forces near the Mozambique border.

But some still do. Each month the immigration office averages 1,000 inquiries from prospective settlers who, if accepted, are eligible for a \$450 transportation subsidy and one week's free lodging. In July, 1,342 whites left Rhodesia and 231 moved here from other countries to face an uncertain future.

Whether there will be a place for Rhodesia's 225,000 or so whites will be determined by whatever black government takes power in Zimbabwe. Nowhere in black Africa, though, has such a large white community stayed on after independence, nowhere has the economy remained in white hands, nowhere do Europeans feel confident that there is a future in Africa for their children.

"We want a multiracial society here," says Josiah Chinamano, a moderate black who has spent long periods in jail as an alleged agitator. "It's critical for the economy that the whites stay, and they'll be welcome as long as they don't expect special privileges."

"But things aren't heading in a good direction at this moment," he told (Prime Minister Ian) Smith that unless he settled quickly, the war was bound to escalate. Now there's talk of banning political parties. What would that achieve? The ban wouldn't remove the causes of the war. Unless the causes are removed, Rhodesia could be reduced to ruins."

Three days after the interview, black opposition parties, which had become legal only last May, were banned. Mr. Chinamano, the senior local officer of the Patriotic Front's political wing, fled to London after receiving a tip that he was about to be arrested.

88 Years Ago

The white man arrived in Rhodesia as a colonialist 88 years ago this month. In 1923 this California-sized land became the first African colony in the British Empire to gain internal self-government. In 1965, after two years of unsuccessful negotiations with the British, Prime Minister Smith unilaterally declared Rhodesia's independence, carving out a white paradise in the heart of Africa.

Today white Rhodesians are as nationalistic, conservative and industrious as any people in Africa. The white Rhodesian has the easy informality of an Australian, the stubborn pride of an Englishman. But he is isolated internationally. His national airline is allowed in no other country but South Africa, he cannot mail a letter or make a phone call to neighboring Mozambique, his green passport is honored almost nowhere.

"The problem is, if we have to

leave, where do we go?" asks Luke Erasmus, an insurance agent. "If we go to South Africa, we only face the same situation in another two years. I'm a Mormon, but do you know that with my green passport I can't even get into the United States to visit our temple in Utah?"

Most white Rhodesians simply cannot comprehend why no one reaches out and says, "We are with you," why no one talks about what a remarkably prosperous, orderly and efficient country they have built in just 13 years. They feel betrayed, and in their anger and frustration, they lash out at any accessible target.

An elderly woman turned to an American stranger at a hotel bar one night last week, with no forewarning at all, volunteered what apparently was intended to be an assessment of Rhodesia's problems.

"I'll tell you one thing: If John F. Kennedy had been alive, he never would have let Mozambique get away."

Air of Unreality

However blurred the logic, the constant unreality of the air of unreality that hangs over Rhodesia, where blacks outnumber whites 28 to 1. Contrasts and contradictions are everywhere. The Titanic is sinking and the orchestra plays on.

Only a month ago, there had been real hope in Rhodesia that an end was near to the war that already has claimed nearly 10,000 lives and closed 800 schools. Everyone appeared prepared to join an all-parties conference. Mr. Smith had held a cordial secret meeting in Zambia with Joshua Nkomo, co-leader of the Patriotic Front, and both had agreed it was time to stop the killing.

Then the optimism collapsed. Mr. Nkomo's men shot down an Air Rhodesia airliner. Thirty-eight persons died in the crash. Ten survivors were reported massacred on the ground. Mr. Smith and the three moderate blacks with whom he signed an internal settlement in March, leading the majority rule this year, responded by toughening their position.

"Isn't it incredible?" asked Dennis Walker, a white parliamentarian. "Every time we come close to some step in the right direction to bring about a peaceful transition, then all hell lets loose on this country."

The trouble, it seemed, was that Rhodesia was always a step behind the events, always reacting instead of acting. Each move was a step too short, a moment too late. As a result, white Rhodesia was no longer the master of its destiny.

© Los Angeles Times

Vietnam Troop Buildup Alleged

Laos Issue in China-Hanoi Feud

By Fox Butterfield

HONG KONG (NYT) — The bitter dispute between China and Vietnam has spread to Laos, with Peking accusing Hanoi of garrisoning thousands of troops there and reportedly withdrawing some Chinese technicians.

Diplomats here are unsure what precipitated the break in Peking's long silence on Vietnam. They are watching the situation carefully because Laos is an area where Peking could cause serious difficulties for the Vietnamese at little risk to itself.

Cambodia, the third Indochina state, which is aligned closely with China, is embroiled in a border war with Vietnam.

Last Tuesday, according to diplomatic sources, Hua Kuo-feng, the chairman of the Chinese Communist Party, told Jacques Chirac, the mayor of Paris and former French prime minister, that Laos is now completely under the civilian and military control of Vietnam.

Chinese Accusation

Moreover, the chief Chinese delegate to talks in Hanoi between China and Vietnam charged that Vietnam had "stationed massive troops in some country in an attempt to control the whole of Indochina." The reference seemed a clear one to Laos, where Vietnam has kept several regular army divisions since the end of the Indochina war in 1975.

Many of the senior leaders of the Communist Pathet Lao were trained in Vietnam, including Premier Kayson Phommvihane, and there are said to be Vietnamese advisers in most government offices in Vietnam.

The discussions in Hanoi last week between the Chinese and the Vietnamese, the seventh session in the talks that began last month, appeared to be even more acrimonious than the earlier ones. China's delegate, Deputy Foreign Minister Chung Hsi-tung, charged that Vietnam had not shown the slightest desire to settle the dispute and that the Vietnamese had made up their minds to wreck the negotiations.

The talks originally centered on the treatment of ethnic Chinese in Vietnam and the 160,000 refugees who have fled from Vietnam to China since Hanoi cracked down on its urban middle class last spring.

But China broadened the agenda last Tuesday, when Mr. Chung accused Vietnam of using Laos against China and of "playing a part in the anti-China crusade orchestrated by Soviet social-imperialism."

Reports from Bangkok, which could not be confirmed, said that China had also withdrawn 2,500 civilian and military technicians from northern Laos. Since 1961, the Chinese have been building a series of roads in that sparsely populated northern region, which is inhabited mainly by ethnic minorities.

Report Discounted

Little is known about the extent of Chinese activity in the area, but the government in Vientiane has privately accused China of training and supplying some anti-government rebels among the tribal groups. Earlier this month a rumor circulated in Vientiane that Vang Pao, the former commander of the so-called Secret Army of Meo tribesmen, backed by the CIA, had gone to Peking to organize a new guerrilla force.

Most diplomats discounted the report as Soviet-inspired propaganda against China. Mr. Vang is reportedly living in Montana. But the rumor gained wide support among the Laotian Communist leadership, which has been faced with serious insurgency in several parts of the country. Laos has publicly backed Vietnam since last winter, when it declared its complete support for Hanoi in its border war with Cambodia.

Last month, the Laotian government also closed a Chinese consulate in northern Laos, and it has effectively isolated the Chinese Embassy in Vientiane, diplomatic sources say. But until last week, Peking had ignored these Laotian barbs. Recently, in fact, China signed a small aid agreement to build a brickworks in northern Laos. Chinese diplomats had earlier told colleagues in Vientiane that they recognized that Laos was bound to give verbal support to Vietnam, but they did not consider Laos lost to Hanoi.

In apparent response to China's new charges about Vietnam's activities in Laos, Hanoi last week accused Peking of "seeking to sabotage the Vietnam-Lao friendship by means of pressure and division." The charge was made in the Vietnamese party newspaper, Nhan Dan.

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Euromarkets

**Prices in Dollar Sector Slide
As Short-Term Rates Go Higher**

By Carl Gewirtz

PARIS, Sept. 24 (IHT) — The apparently bottomless slide on the foreign exchange market and the relentless rise in short-term interest rates finally caught up with the dollar sector of the Eurobond market last week.

Prices were off as much as \$10 for each \$1,000 nominal amount. A good part of the decline was due to market makers' cutting prices, but dealers reported seeing heavier sell orders than in the recent past. Until now, each time dealers protectively marked down prices investors would appear to snap up the paper on offer.

These buyers have now either turned to sellers or have retreated to the sidelines to sit out the present uncertainty, eliminating any resistance to dealer mark-downs. At this point, the biggest threat to the market is the continued rise in short-term interest rates which is lifting the cost of dealers' pay to finance their inventories beyond what they earn from holding the securities. The danger now is that dealers may be forced to dump their holdings rather than simply drop their quotes.

"In the past, dealers could afford not to react because short-term rates were lower," one analyst said. The major question hanging over the market is where the present rise in short-term rates will end. There is little consensus among professionals — for every expert predicting double-digit rates there is another expert insisting that a credit crunch of that magnitude is not imminent. But the Federal Reserve Board's admission that domestic money-supply growth is far outstripping what was targeted appears to give weight to the pessimists' view.

The Fed's decision Friday to

raise the discount rate a quarter point to 8 percent in the middle of the business day rather than at the close — the more usual time to announce such an important move — also suggests that the Fed is signaling a tough new approach to domestic inflation.

The only positive element for the dollar sector of the Eurobond market is that the new-issue calendar is virtually bare. Only one new issue was announced, \$30 million, for the Bank of Tokyo. It is selling 15-year floating-rate notes, whose coupon will be set at a quarter point over the middle of the bid-offered six-month Eurodollar rate. The minimum coupon will be 5 1/2 percent. Managers acknowledge the maturity is long and the terms tight but maintain that a relatively small amount for a prime borrower should prove to be no difficulty.

Only one other issue was still on offer — Novo Industri's \$20 million, 11-year bonds convertible into shares of the Danish pharmaceutical company. The coupon is 7 percent and the conversion premium is expected to be around 10 percent.

The dollar offering for Interhop, convertible into Swiss franc denominated shares, was a roaring success. The 20,000 bonds on offer were sold at par with a face value of \$1,200 each carrying a coupon of 5 1/2 percent, down from the 5 1/2 percent initially indicated in light of the overwhelming demand. The bonds are convertible into five shares and the terms represented a conversion premium of 8.5 percent at the time of the closing. The bonds ended the week at 103-104 1/4.

Italy's 12-year straight-debt issue was increased to \$30 million from the \$25 million initially indicated and was priced at par with a

Syndicated Bank Loans

PARIS, Sept. 24 (IHT) — Another round of rate cutting appears to be in the making in the syndicated loan market, despite ever louder protests from bankers that terms are already too low to be remunerative to lenders. Eleonore de France is currently negotiating a new loan with interest payments set to start at 3/4 percent over the London interbank offered rate (Libor) — the first penetration of the half-point spread since the early 1970s. If the French succeed, it is widely assumed that other prime borrowers will be quick to follow.

The utility is reportedly seeking \$500 million for 10 years with a grace period of eight years and a spread starting at 3/4 and rising to 1/2 for its part. EDF says nothing definite has been decided, that it is simply sounding out the market. But it says that reaction to starting with a spread of 3/4 has been "encouraging."

Sweden, meanwhile, created a furor among banks by seeking to refinance \$1 billion at a lower cost for a longer period without paying any fees on the new operation. The attempt to eliminate the front-end fee, which normally would amount to between a quarter to 1/2 of a point, failed in the end and the banks eked out a quarter-point fee. The interest on the old loan started at 3/4 for four years and rose to 1 point over Libor for the remaining three. The spread on the new loan would be set at 3/4 for the entire 10 1/2-year maturity. Morgan Guaranty and Chemical Bank participants of the original loan, declined to participate in the refinancing.

Denmark, by contrast, is attempting to refinance \$1.235 billion of loans raised between 1975 and last year at spreads ranging from 1 1/4 to 1 3/4 points over Libor at a margin of 3/4 over Libor for seven years. Fees on the new operation range up to 1/4 percent.

"Denmark is taking advantage of the decline in market conditions," says the leading officer of a major U.S. bank, "without rubbing bankers' noses. It's a good example of how a borrower can make significant savings and still maintain its banking relationships." For this banker, borrowers willing to put together a syndicate, paying all the costs involved in mounting a new operation, have a right to press for the best possible terms but borrowers seeking to use existing syndicates to refinance loans ought to be willing to set terms that are slightly less advantageous to reflect that it really is not a new deal.

The fact is that banks lost more interest income in refinancing the Danish loans — accepting 3/4 of a point over Libor instead of up to 1 1/4 points — than in the Swedish operation, where the decline in the interest is a quarter of a point. "But the Swedes created a lot of ill-will," says a

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coupon of 9 1/2 percent. Managers forge a new European monetary system. The 100 million DM, six-year "bullet" for Indonesia, indicated with a coupon of 7 percent, was reported to be encountering resistance to Third World debtors and bankers said it was quoted on a when-issued basis at 1 1/4 points below issue price. Venezuela, which will come to market early next

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Commodities
Gold Futures Soar to Record Prices

CHICAGO, Sept. 24 (AP-DJ) — Gold futures prices set records last week in New York as events encouraged investors to turn to gold for protection against the dollar's long slide.

Futures prices on contracts coming due in October scored a week's gain of almost \$8 an ounce on New York's Comex to close at \$219.30 an ounce. Silver and platinum prices rose as well.

Brightening gold's appeal was a weeklong credit tightening that culminated in an increase Friday by the nation's central bank, the Federal Reserve, in the discount rate, the borrowing rate for banks.

The failure so far by the Carter administration to produce an anti-inflation program, plus pessimism about the outcome of the Arab-Israeli peace agreement, drove the dollar further downward against foreign currencies, and a new low was set against the Swiss franc.

"Inflation is still a major problem, and higher interest rates are inflationary," said Steve Chronowitz, an analyst of precious metals with Loebl Rhoades, Hornblower and Co. of New York.

Double Blow

Interest rate futures were dealt a double blow by the Fed's increase in the discount rate. The increase, although not as large as expected, combined with an unexpected Treasury Department announcement Tuesday that it will auction \$1.5 billion of 15-year bonds on Wednesday of this week.

Contracts for Treasury bonds, Government National Mortgage Association certificates and Treasury bills all took net losses on the Chicago Board of Trade and the Chicago Mercantile Exchange.

On the Chicago Board of Trade, the weather and a midweek government report buffeted grain and soybean markets to push soybeans

about 5 cents lower for the November delivery. Corn prices gained slightly during the week and wheat prices rose by about 14 cents for the December delivery.

Soybean and corn prices rose Wednesday on forecasts of cold weather moving eastward from the Dakotas and Nebraska and rain for parts of the Midwest.

Traders, anticipating that the

weather could delay harvest and damage still-standing corn and soybean crops, bought those two commodities heavily, and wheat prices rose on increased export demand.

But a government report that supplies of soybeans on farms and in warehouses nationwide were at 159 million bushels, about one-sixth more than traders expected, sent soybeans, corn and soybean oil

and meal into a nosedive Thursday, with carryover selling on Friday.

Wheat prices held firmer throughout the week, wandering slightly lower in light trading Friday until a flurry of commission house buying pushed prices several cents upward past automatic buy-order points in a technical market reaction.

On the Chicago Mercantile Exchange, erratic price movements made last week's trading difficult to understand, analysts said.

A major factor was a government hog and pig crop report at midweek that estimated that there are fewer animals on farms in seven key states than there were last year.

Although some traders questioned the accuracy of the report, "they wanted to interpret it as constructive, and therefore it was," said an analyst.

The hog crop estimate was much smaller than expected, indicating tighter supplies in the future, and pork belly (bacon) futures shot upward by a week's total of more than 6 cents a pound for the February delivery, to 67.25 cents a pound. Live hog futures prices also rose to finish the week about 1 1/4 cents a pound higher for the October delivery, at 50.47 cents a pound.

Live cattle futures dropped about a cent a pound for the October delivery to close at 54.57 cents, however, unable to hold gains despite tight cattle supplies.

On New York's Coffee and Sugar Exchange, coffee futures lost more than 7 cents a pound for the September delivery to close Friday at \$1.53 1/4 a pound. Continued oversupply plus the absence of conclusive news on an international coffee organization effort to bolster worldwide coffee prices encouraged selling.

Sugar futures also drifted slightly lower throughout the week.

New York Stock Market

NEW YORK, Sept. 24 (NYT) — The prevailing wisdom in Wall Street is that once the speculation in gambling stocks has been punctured, the general market can resume its climb. Perhaps such a scenario will prove true eventually. But leaders in the casino group underwent a sharp price correction last week, while the general market beat a modest retreat.

Activity in gambling issues has been likened by analysts to the "tulip mania" that afflicted the Netherlands many years ago. But some of the tulips bore a decidedly withered look in recent sessions. The largest losses appeared in Resorts International, the Atlantic City casino operator whose issues trade on the American Stock Exchange.

For the week, the Class A shares of Resorts plummeted 4 1/4 points to 138 1/4. This stock had soared 56 1/2 points the previous week. Meanwhile, the Class B shares tumbled 40 points to 235 after booming an incredible 124 1/2 points the week earlier.

Substantial declines also appeared in Caesars World, Del E. Webb and Bally Manufacturing on the New York Stock Exchange, along with severe price setbacks for hotel-motel issues that had shared in earlier gains with the gambling stocks.

The Dow Jones industrial average dropped 16.11 points during the week to close Friday at 862.44. Only two weeks earlier, this blue-chip index closed at a 13-month high of 907.74. The Dow Jones transportation index, which had moved in gear with the rising industrials during the summer, also lost considerable ground in the last two weeks.

Overall, the market atmosphere seemed a far cry from the ebullience of early September, when the Dow industrials hovered above the psychological barrier at 900 and when one Wall Streeter said, "The bears seem to be heading for the woods."

While many stocks came under pressure, bond prices in general slumped sharply. On Wednesday a signal that the Federal Reserve was allowing key rates in the money market to move higher set off declines in both stocks and fixed-income securities, or bonds. That same day the Treasury auctioned two-year notes at an average yield of 8.65 percent, or the loftiest level since the "credit crunch" in mid-1974.

Meanwhile, in government securities trading, three-month Treasury bills moved to yields of slightly more than 8 percent on a discount basis.

Over-Counter Market

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JEV:ciol:SD

Peugeot 10-83.....	100.25	101.25
Quebec Prov 7½-87.....	85.00	86.00
Rhone-Poulais 10½-80.....	100.25	101.25
St. Gobain 10-80.....	100.25	101.25
World Bank 7½-87.....	84.00	85.00
Guilders		
ABN 9½-79.....	102.25	103.00
AMRO 9½-79.....	101.00	101.75
Arbed 6½-80.....	90.00	90.75
BP 6-79.....	96.75	97.50
Cons Foods 6½-80.....	96.75	97.50
Eurofina 5½-79.....	96.25	97.00
EIB 9½-79.....	100.75	101.50
Govett 6½-79.....	96.75	97.50
Hell Int 6½-79.....	96.75	97.50
KLM 6-79.....	96.50	97.50
Ned Gas Un. 9½-79.....	101.25	102.00
New Zealand 6½-79.....	99.25	100.00
Phillips 6-79.....	96.75	97.50
Sperry 6½-79.....	96.75	97.50
SI Brands 6½-79.....	99.00	100.00
Luxembourg Francs		
Aslan Bank 6½-87.....	92.50	94.50
EIB 7086.....	97.50	98.50
Burmah 7-86.....	87.50	89.50
Cons Eur 7-87.....	90.00	92.00
Denmark 6½-87.....	90.50	92.50
Gr. Met. Ind. 6½-87.....	87.50	89.50
Flintkne 7-87.....	90.00	92.00
ISE 6½-87.....	94.00	96.00
Reed 6½-87.....	86.00	88.00
Sloier 7½-87.....	76.00	

(a weekly list of non-dollar-denominated issues)

[illegible]
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 CELULOSEFABRIKK A/S & CO**Dfls 75.000.000 due 1984/1998**

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September, 1978.

By reading across this table of the September 22, 1978's closing interbank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

By reading across this table of the September 22, 1978's closing interbank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

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Banking on Grindlays means more than taking advantage of the Group's network of branches in some 35 countries. It means working closely with our specialists in such fields as export finance, foreign exchange, eurocurrency finance, and corporate banking. They take full advantage of the regional knowledge and support provided by over 200 Group branches and offices located in most of the major world markets. This teamwork provides the right financial products and packages at the right time.

Members of the Group's Export Finance Department discuss various forms of ECGD finance with a major U.K. exporter. The Group can now handle ECGD buyer credit business in U.S. Dollars or Sterling and can also arrange the financing of supplier credit business. ►

In India, Grindlays has over 120 years of banking experience and a network of 56 branches serves local and international companies. One important international customer of Grindlays is both India and London has a subsidiary which operates this audio factory amongst its worldwide activities. ▼



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After more than 60 years of refining our skills to meet the demands for flexibility of German and international companies at home and abroad, we offer a full range of streamlined services for financing international trade. For example - short to long-term loans, buyers' and sellers' credits; documentary payments and collections; letters of credit; discounting of foreign bills; foreign exchange hedging facilities.

We are a regional universal bank, headquartered in Mannheim (with total assets of DM 16.4 billion). As central bank of 69 Sparkassen in Baden, we are linked to Germany's powerful network of savings banks. We are also authorized to issue our own bearer bonds, assuring a broad source of funds. Flexibility and the proven ability to match available alternatives with client needs are among our major strengths. For complete information, just contact:

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American Exchange Options

[illegible]

Insurance Stocks

[illegible]

Chicago Options Table

[illegible]

**To manage the financial resources
of one of Europe's largest oil producers,
a man must be farsighted and decisive.**



André A. Gestier, Treasurer, Société Nationale Elf Aquitaine

Edward A. O'Neal, Vice President and General Manager, Chemical Bank, France
Photographed at Elf Aquitaine's facilities in Lacq, France

André A. Gester is treasurer of Société Nationale Elf Aquitaine, one of Europe's largest petroleum companies. It is his responsibility to meet the challenge of financing the development of his company's vast oil and gas reserves. For a major producer like Elf Aquitaine, this development is very costly - running into billions of dollars.

To turn a search for energy into reality takes a lot of cooperation with other petroleum companies and capital from many international banks.

Over the past three years, André Gester has turned to bankers he can rely on.

Bankers like those at Chemical Bank - the sixth largest U.S. bank. The reason Elf has turned to Chemical Bank is bankers like Edward A. O'Neal

of Chemical Bank's Paris office. O'Neal has made it his business to understand the business of Elf Aquitaine. Working closely with the head of Chemical's Petroleum and Minerals group — Europe, he has been able to deliver the kind of financial help Elf needs — wherever Elf needs it.

"Chemical Bankers know what we mean when we say 200,000 barrels a day," Mr. Gaster says. "And they know that a balance sheet can't show reserves. But their engineers can evaluate those reserves. O'Neal and the Chemical Bank team can instantly see where our future lies."

Now that Elf Aquitaine has moved into big ventures in the North Sea oil and gas fields, O'Neal together with his team of experts, is there with

realistic and timely financial solutions. André Gester sums it up well. "We need a lot of money. And we can get a lot of money. But the important thing is that we get fast decisions."

Rapid, professional solutions are what André Gester has come to depend upon. He knows he has bankers with financial expertise who are far-sighted and responsive to his company's needs.

While there is a professional relationship, André Gester and Ed O'Neal will tell you that it is also personal and rewarding. That's what usually happens when corporate officers get together with Chemical Bankers.

And what results is bottom-line benefits for both the company and the bank.

The difference in money is people. **CHEMICAL BANK**

Main Office: New York, N.Y. Abidjan, Bahrain, Beirut, Birmingham, Bogota, Brussels, Buenos Aires, Cairo, Caracas, Channel Islands, Chicago, Dubai, Edinburgh, Frankfurt, Hong Kong, Houston (affiliated), Jakarta, London, Madrid, Manila, Mexico City, Milan, Moghona, Nassau, Paris, Rio de Janeiro, Rome, San Francisco, Sao Paulo, Seoul, Singapore, Sydney, Taipei, Tehran, Tokyo, Toronto, Vancouver, Vienna, Zurich.

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Syndicated Bank Loans

(Continued from Page 9)

Continental Bank. "The fact that they finally accepted to pay a minimum fee does not restore the good will lost trying to erase it."

Increasingly, bankers express hostility about how they are being squeezed by borrowers and suggest that "scores will be settled" when liquidity dries up and banks are in a position to dictate terms and withhold loans. Bankers complain that some borrowers are insisting on renegotiating terms on existing loan agreements without going through the usual process of refinancing means fewer new loans for borrowers.

Asked why banks agree to go along with this if they really are unwilling, a loan officer explained that other bank business might be lost with that borrower as well as with firms planning to export goods to that state.

The Russians reportedly are also trying a new approach to the market. Instead of seeking new syndicated loans they are said to be seeking "bilateral deals," in effect buying bank deposits. The Foreign Trade Bank, for example, is in the process of prepaying a \$250-million loan and is trying to arrange individual loans of up to \$50 million from banks for up to eight years at 4% of a point over Libor. This method would not only reduce costs — no fees or commissions paid — but also would shield from public view how much the Russians are borrowing and at what terms.

South Korea's Export-Import Bank is breaking new ground, seeking up to \$200 million for 10 years with interest set at 4% over Libor for the first two years and 4% thereafter. The amount is the largest single package drop from previous loan operations. To win acceptance of what are considered very aggressive terms, managers are talking about delaying actual disbursement of the loan through improving the effective yield to the banks.

IRI, the Italian state holding company, is planning to raise \$500 million for seven years at a spread of 1/2% over Libor. This will be the first borrowing by IRI under its own name and will not carry an explicit state guarantee.

Costa Rica is raising \$180 million — of which \$70 million is for the government and the rest for the central bank. Interest on the 10-year loan will start at 7% over Libor for the first four years and then rise to 1% percent. Most of the money is refinancing earlier, more costly loans, and only \$25 million is new money. In all, this is the largest single loan package, the longest maturity and the lowest spread the country has yet negotiated.

Argentina's Agua water and power utility is borrowing \$120 million for 10% years at a spread of 3/4% for the first three years and 3/4% for the remainder. The state oil company YPF will be next to tap the market, for up to \$300 million, and reportedly will seek an even longer maturity while holding the same rate structure. IPS, a cement company, will be seeking \$250 million for 10 years and attempt to set a new low in spreads offering 3/4% throughout.

Euromarket

(Continued from Page 9)

month for 150 million DM for 12 years at an expected 6 1/2 percent is said demand for the issue would tend to run into the same resistance.

Among private placements, Grunzweig Vienna sold 25 million DM of eight-year notes at par with a coupon of 5 1/2 percent. South Africa's Iscor is raising 40 million DM in six-year notes carrying a coupon of 8 1/2 percent.

The market for DM denominated Japanese convertibles remains buoyant with the demand for Japan's 80 million DM issue to exceed 200 million DM. The eight-year bonds carry a coupon of 3 1/2 percent and are expected to carry a conversion premium of around 10 percent. Nissan Diesel Motor is in the market for 80 million DM at identical terms while Kayaba Industry, a supplier to the auto industry, is raising 30 million DM.

The attempt to reopen the French-French sector of the market ran into difficulty with the franc considered a prime candidate to devalue against the mark before entering the new monetary system. In addition, bankers criticized the decision to reopen with the European Investment Bank, which is notorious for squeezing for the tightest possible terms. Critics say 200 million francs is too big, the 10-year maturity too long and the indicated 9 1/2 percent coupon as too low. Critics notwithstanding, the managers say the issue is going well.

The EIB is also marketing \$75 million of 10-year and \$125 million of 20-year paper in New York, apparently indicating terms of 8 1/2 and 9 percent, respectively.

Pennsylvania sold 20 million Units of Account at 99 1/2 with a coupon of 8 1/2 percent, but trading in the 15-year issue opened at 98-98 1/2. Currently on offer is Kommunalkreditanstalt, the Swedish municipal financing agency, which is seeking 15 million U.S. dollars for 15 years with a coupon of 7 1/2 percent.

Over-the-Counter
(Continued from Page 11)

Sales in 100s High Low Last Change

Alcoa	20	87	87	87	87	87
Aluminum	20	53	53	53	53	53
Amstar	20	10	10	10	10	10
Armco	20	10	10	10	10	10
Avco	20	10	10	10	10	10
Boeing	20	10	10	10	10	10
Chrysler	20	10	10	10	10	10
Colgate	20	10	10	10	10	10
Conoco	20	10	10	10	10	10
DuPont	20	10	10	10	10	10
Eastman	20	10	10	10	10	10
Exxon	20	10	10	10	10	10
General	20	10	10	10	10	10
Hercules	20	10	10	10	10	10
IBM	20	10	10	10	10	10
Johnson	20	10	10	10	10	10
Kodak	20	10	10	10	10	10
Lockheed	20	10	10	10	10	10
McDonald	20	10	10	10	10	10
Merck	20	10	10	10	10	10
Minerals	20	10	10	10	10	10
Occidental	20	10	10	10	10	10
Pfizer	20	10	10	10	10	10
Polaroid	20	10	10	10	10	10
Rockwell	20	10	10	10	10	10
Schlumberger	20	10	10	10	10	10
Shawmut	20	10	10	10	10	10
Sperry	20	10	10	10	10	10
Tenneco	20	10	10	10	10	10
Union	20	10	10	10	10	10
Weyerhaeuser	20	10	10	10	10	10
Yale	20	10	10	10	10	10

Week Ended Sept. 20
(U.S. Dollars)

International Institutions: 8.83%
Industrial, long term: 8.82%
Industrial, medium term: 8.86%
Canadian dollars, medium term: 9.78%
French franc, long term: 10.16%
Unit of acc. long term: 7.53%

Market Turnover
Week Ended Sept. 22, 1978
(Millions of U.S. Dollars)

Total: 545.80 370.10 168.70
Euro: 1,160.5 300.50 260.00

NYSE Averages
Week Ended Sept. 22, 1978

	High	Low	Last	Change
Indust.	438.4	436.7	437.0	+0.3
Transp.	49.8	49.3	49.3	-0.5
Util.	36.3	36.4	36.7	+0.3
Finance	62.7	62.9	62.9	-0.3
Composite	86.3	86.2	86.2	-0.4

Standard & Poor's
Week Ended Sept. 22, 1978

	High	Low	Last	Change
400 Ind.	114.36	112.63	112.81	-0.58
30 Transp.	18.29	18.13	18.13	-0.12
40 Util.	32.53	32.58	32.58	-0.39
40 Finance	12.71	12.53	12.53	-0.29
500 Stocks	103.21	101.72	101.84	-0.28

Down Jones
Week Ended Sept. 22, 1978

	High	Low	Last	Change
30 Ind.	67.15	65.14	65.14	-1.11
20 Transp.	10.30	10.30	10.30	-0.30
10 Util.	18.29	18.13	18.13	-0.12
45 Comb.	32.41	32.13	32.13	-0.54

REPUBLIC OF KENYA
MINISTRY OF WATER DEVELOPMENT
INVITATION TO TENDER
FOR THE CONSTRUCTION OF A WATER SUPPLY PROJECT

The Government of Kenya invites tenders for the construction of a water supply project in the area of the Mombasa Water Supply Project. The project consists of the construction of a water supply system for the area of the Mombasa Water Supply Project. The project consists of the construction of a water supply system for the area of the Mombasa Water Supply Project.

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Mario Andretti

Andretti Picks Formula One Over Indy 500

INDIANAPOLIS, Sept. 24 (AP) — Mario Andretti, the victim of scheduling conflicts between Formula One races and the U.S. Auto Club in recent years, says he will pass up the 1979 Indianapolis 500.

The Indy 500 and the Grand Prix at Monza are both scheduled next May 27. "The first day of qualifying at Indianapolis [May 12] also conflicts with Belgium," Andretti said here. "This is the part I regret most. Indy holds a very, very dear spot emotionally. I have said even if I had to drive a wheelbarrow I'd drive Indy. But I'm giving it up."

Andretti, this season's leading Formula One racer, was the 1969 Indy champion and has driven every year since 1965.

Two years ago, Andretti was the fastest qualifier at Indianapolis but had to start well back in the field because he missed the first day of time trials to compete in Europe. This time, he recorded what at that time was the fastest lap in Speedway history at more than 203 miles an hour, but his car was driven in qualifications by Mike Hiss because Andretti was in Belgium. That left Andretti with a 334-place start.

Foreign Bonds

As of Sept. 22, 1978

	High	Low	Last	Change
Austria 1984	100	99 1/2	99 1/2	-1/2
Austria 1985	99 1/2	99 1/4	99 1/4	-1/4
Austria 1986	99 1/4	99 1/8	99 1/8	-1/8
Austria 1987	99 1/8	99 1/16	99 1/16	-1/16
Austria 1988	99 1/16	99 1/32	99 1/32	-1/32
Austria 1989	99 1/32	99 1/64	99 1/64	-1/64
Austria 1990	99 1/64	99 1/128	99 1/128	-1/128
Austria 1991	99 1/128	99 1/256	99 1/256	-1/256
Austria 1992	99 1/256	99 1/512	99 1/512	-1/512
Austria 1993	99 1/512	99 1/1024	99 1/1024	-1/1024
Austria 1994	99 1/1024	99 1/2048	99 1/2048	-1/2048
Austria 1995	99 1/2048	99 1/4096	99 1/4096	-1/4096
Austria 1996	99 1/4096	99 1/8192	99 1/8192	-1/8192
Austria 1997	99 1/8192	99 1/16384	99 1/16384	-1/16384
Austria 1998	99 1/16384	99 1/32768	99 1/32768	-1/32768
Austria 1999	99 1/32768	99 1/65536	99 1/65536	-1/65536
Austria 2000	99 1/65536	99 1/131072	99 1/131072	-1/131072

Consolidated Trading Of NYSE Listings

Week Ended Sept. 22, 1978

	High	Low	Last	Change
Alcoa	20	19 1/2	19 1/2	-1/2
Aluminum	20	19 1/4	19 1/4	-1/4
Amstar	20	19 1/8	19 1/8	-1/8
Armco	20	19 1/16	19 1/16	-1/16
Avco	20	19 1/32	19 1/32	-1/32
Boeing	20	19 1/64	19 1/64	-1/64
Chrysler	20	19 1/128	19 1/128	-1/128
Colgate	20	19 1/256	19 1/256	-1/256
Conoco	20	19 1/512	19 1/512	-1/512
DuPont	20	19 1/1024	19 1/1024	-1/1024
Eastman	20	19 1/2048	19 1/2048	-1/2048
Exxon	20	19 1/4096	19 1/4096	-1/4096
General	20	19 1/8192	19 1/8192	-1/8192
Hercules	20	19 1/16384	19 1/16384	-1/16384
IBM	20	19 1/32768	19 1/32768	-1/32768
Johnson	20	19 1/65536	19 1/65536	-1/65536
Kodak	20	19 1/131072	19 1/131072	-1/131072
Lockheed	20	19 1/262144	19 1/262144	-1/262144
McDonald	20	19 1/524288	19 1/524288	-1/524288
Merck	20	19 1/1048576	19 1/1048576	-1/1048576
Minerals	20	19 1/2097152	19 1/2097152	-1/2097152
Occidental	20	19 1/4194304	19 1/4194304	-1/4194304
Pfizer	20	19 1/8388608	19 1/8388608	-1/8388608
Polaroid	20	19 1/16777216	19 1/16777216	-1/16777216
Rockwell	20	19 1/33554432	19 1/33554432	-1/33554432
Schlumberger	20	19 1/67108864	19 1/67108864	-1/67108864
Shawmut	20	19 1/134217728	19 1/134217728	-1/134217728
Sperry	20	19 1/268435456	19 1/268435456	-1/268435456
Tenneco	20	19 1/536870912	19 1/536870912	-1/536870912
Union	20	19 1/1073741824	19 1/1073741824	-1/1073741824
Weyerhaeuser	20	19 1/2147483648	19 1/2147483648	-1/2147483648
Yale	20	19 1/4294967296	19 1/4294967296	-1/4294967296

Treasury Bills

Week Ended Sept. 22, 1978

	High	Low	Last	Change
1-Month	100	99 1/2	99 1/2	-1/2
3-Month	99 1/2	99 1/4	99 1/4	-1/4
6-Month	99 1/4	99 1/8	99 1/8	-1/8
1-Year	99 1/8	99 1/16	99 1/16	-1/16
2-Year	99 1/16	99 1/32	99 1/32	-1/32
3-Year	99 1/32	99 1/64	99 1/64	-1/64
4-Year	99 1/64	99 1/128	99 1/128	-1/128
5-Year	99 1/128	99 1/256	99 1/256	-1/256
6-Year	99 1/256	99 1/512	99 1/512	-1/512
7-Year	99 1/512	99 1/1024	99 1/1024	-1/1024
8-Year	99 1/1024	99 1/2048	99 1/2048	-1/2048
9-Year	99 1/2048	99 1/4096	99 1/4096	-1/4096
10-Year	99 1/4096	99 1/8192	99 1/8192	-1/8192

Consolidated Trading Of NYSE Listings

Week Ended Sept. 22, 1978

	High	Low	Last	Change
Alcoa	20	19 1/2	19 1/2	-1/2
Aluminum	20	19 1/4	19 1/4	-1/4
Amstar	20	19 1/8	19 1/8	-1/8
Armco	20	19 1/16	19 1/16	-1/16
Avco	20	19 1/32	19 1/32	-1/32
Boeing	20	19 1/64	19 1/64	-1/64
Chrysler	20	19 1/128	19 1/128	-1/128
Colgate	20	19 1/256	19 1/256	-1/256
Conoco	20	19 1/512	19 1/512	-1/512
DuPont	20	19 1/1024	19 1/1024	-1/1024
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Schlumberger	20	19 1/67108864	19 1/67108864	-1/67108864
Shawmut	20	19 1/134217728	19 1/134217728	-1/134217728
Sperry	20	19 1/268435456	19 1/268435456	-1/268435456
Tenneco	20			

First Since Grove

Palmer Wins 20 For 8th Season

Three of the major leagues' four pennant races moved nearer resolution in Saturday's games, but the fourth — in the American League's East Division — grew tighter.

In the National League West, the Los Angeles Dodgers clinched at least a tie for the title, beating the San Diego Padres, 5-3, while the second-place Cincinnati Reds were losing to the Atlanta Braves, 8-1.

In the National League East, the Philadelphia Phillies doubled their lead over Pittsburgh — from 1½ games to 3 — by sweeping a doubleheader from the New York Mets, 1-0 and 6-3, while the Pirates were losing, 3-2, to the Montreal Expos.

In the American League West, the Kansas City Royals reduced their pennant-chasing number to two, topping the Minnesota Twins, 3-1, while the second-place California Angels were losing to the Chicago White Sox, 5-4.

And in the American League East, the Boston Red Sox closed to one game behind New York, downing the Toronto Blue Jays, 3-1, while the Yankees were crushed by the Cleveland Indians, 10-1.

BALTIMORE, Sept. 24 (UPI) — Jim Palmer became the first American League pitcher in 43 years to post eight 20-victory seasons when he pitched a four-hitter last night to give the Baltimore Orioles a 6-1 triumph over the Detroit Tigers and a split of their doubleheader.

Don DeCinces hit his 25th home run to help Palmer, 20-12, after a two-run single with none out in the ninth inning by John Wockenfuss gave the Tigers a 4-3 triumph in the opener.

Palmer, who has won at least 20 games in eight of the last nine seasons, became only the third American League pitcher in history — and first since Lefty Grove in 1935 — to win 20 games eight times. Walter Johnson holds the league record with 12 20-victory seasons.

Palmer struck out four batters and walked two to post his 214th career victory.

Red Sox 3, Blue Jays 1

At Toronto, Jim Rice hit his 43rd home run and collected his 387th total base to power Boston to a 3-1 triumph over Toronto. Rice needs 13 total bases in Boston's seven remaining games to reach the 400 mark, last attained in the major leagues by Hank Aaron in 1959. The last American League hitter

Jays Rehire Manager

TORONTO, Sept. 24 (UPI) — The Toronto Blue Jays announced yesterday that manager Roy Harris and his five coaches — Harry Wamser, Jackie Moore, Don Loper, Bob Miller and Bobby Doerr — will all be back with the club for the 1979 season.

Major League Standings

NATIONAL LEAGUE	W	L	Pct.	GB
Philadelphia	85	68	.556	—
Cincinnati	82	71	.534	3
St. Louis	78	76	.506	7½
Montreal	72	82	.468	13½
Los Angeles	72	82	.468	13½
New York	63	92	.406	23

AMERICAN LEAGUE	W	L	Pct.	GB
Los Angeles	92	67	.580	—
Cleveland	85	74	.531	7½
San Francisco	81	78	.512	12½
Seattle	78	81	.491	15½
Minnesota	68	91	.428	25½
Atlanta	68	91	.428	25½

BRONCOS	W	L	Pct.	GB
Denver	10	4	.714	—
Pittsburgh	9	5	.643	1
San Diego	8	6	.571	2
Los Angeles	7	7	.500	3
Seattle	6	8	.429	4

STEELERS	W	L	Pct.	GB
Pittsburgh	10	4	.714	—
Cleveland	9	5	.643	1
San Diego	8	6	.571	2
Los Angeles	7	7	.500	3
Seattle	6	8	.429	4

GIANTS	W	L	Pct.	GB
New York	10	4	.714	—
San Francisco	9	5	.643	1
Los Angeles	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

ASTROS	W	L	Pct.	GB
Houston	10	4	.714	—
Los Angeles	9	5	.643	1
San Francisco	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

PIRATES	W	L	Pct.	GB
Pittsburgh	10	4	.714	—
Cleveland	9	5	.643	1
San Diego	8	6	.571	2
Los Angeles	7	7	.500	3
Seattle	6	8	.429	4

RED SOX	W	L	Pct.	GB
Boston	10	4	.714	—
Los Angeles	9	5	.643	1
San Francisco	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

YANKEES	W	L	Pct.	GB
New York	10	4	.714	—
Los Angeles	9	5	.643	1
San Francisco	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

INDIANS	W	L	Pct.	GB
Cleveland	10	4	.714	—
Los Angeles	9	5	.643	1
San Francisco	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

GIANTS	W	L	Pct.	GB
New York	10	4	.714	—
San Francisco	9	5	.643	1
Los Angeles	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4

ASTROS	W	L	Pct.	GB
Houston	10	4	.714	—
Los Angeles	9	5	.643	1
San Francisco	8	6	.571	2
Seattle	7	7	.500	3
San Diego	6	8	.429	4



Second baseman Duane Kuiper of the Cleveland Indians falls over Willie Randolph of the New York Yankees, who came into the base hard in a successful attempt to break up the double play.

Bostock Is Shot to Death

GARY, Ind., Sept. 24 (UPI) — Lyman Bostock, a 27-year-old star outfielder for the California Angels and one of the highest-paid players in baseball, was shot to death while he was riding in a car here last night.

Sgt. Robert Highsmith of the police said that Bostock, the American League's ninth-leading hitter, was riding in the back seat of a car driven by his uncle, Thomas Turner of Gary. Bostock was visiting after the Angels were defeated, 5-4, by the White Sox in nearby Chicago yesterday.

Also in the car were Barbara Smith, 26, an acquaintance of Bostock, and Mrs. Smith's sister, whose name was not immediately made public.

Highsmith said the shooting was witnessed by many pedestrians at a crossroads intersection dividing Gary's residential and business districts. Turner had stopped his car at an earlier stop light when the suspect pulled up beside them.

High-Speed Chase
"Barbara Smith recognized the driver as Leonard Smith, her estranged husband," Highsmith said. "They apparently had some type of conversation in the car because our reports indicate Mr. Turner ran two stop lights to get away from the alleged killer."

"At Fifth and Jackson Streets the suspect pulled alongside and fired point blank into the car, apparently with a 410 gauge or a 20-gauge shotgun," Highsmith said. Leonard Smith, 31, was arrested this morning. Police planned to file formal charges of homicide and attempted murder tomorrow. Highsmith said. Barbara Smith was hospitalized in fair condition with pellet wounds in her face, he added.

Bostock's teammates and baseball associates expressed shock and sorrow at his death. Manager Jim Fregosi said his star outfielder's character as a man transcended his ability as a ball player.

"I haven't talked to my team, but as far as I'm concerned, I lost a very close personal friend," the manager said. "He was the type of kid who was a great guy to have on a ball club. He had ability but that's not what we're really talking about here. It was his ability as a man."

A native of Birmingham, Ala., Bostock was a low-round draft pick by the Minnesota Twins in the summer of 1972 and came up through the farm system with considerable success at every level until he reached the majors in 1975.

Once with the Twins, he batted .282 in 1975, .323 in 1976 and .336 in 1977. He then became a free agent and signed a multi-year contract with the Angels for more than \$2 million.

Off to a Bad Start
Bostock made headlines early this season when he tried to give a month's salary back to the club because he was off to a poor start and got hitting. When the club owner, Gene Autry, wouldn't take the money, Bostock gave it to charity. He was hitting .266 when he died.

Bostock's father, Lyman Bostock Sr., made \$5,000 a year in his best days with such Negro professional-league teams as the Birmingham Black Barons, the Chicago American Giants and the Ethiopian Clowns. Lyman Jr. was making that much a year.

"I guess I'm the highest-paid player in baseball," Bostock once said. "But singers and dancers make big money, too. I know the President of the United States makes \$200,000 a year."

"We all have our jobs. Evidently more people support sports than the President," he said.

Alabama Upset by USC, Notre Dame Loses Again

BIRMINGHAM, Ala., Sept. 24 (UPI) — Charles White rushed through top-ranked Alabama's defense for 197 yards yesterday to lead the University of Southern California to a 24-14 college football upset.

White, who has now gained 526 yards in three games, scored the Trojans' first touchdown on a 40-yard run midway through the opening period. His running allowed quarterback Paul McDonald to throw two touchdown passes to flanker Kevin Williams to break the game open in the final period.

The Trojans wiped out Crimson Tide hopes for a comeback when McDonald threw a 6-yard touchdown pass to Williams with 11:15 left in the game and then, with 8:34 left, connected with Williams on a 40-yard scoring pass that was tipped.

Alabama, an 11-point favorite, was thwarted by Southern Cal fumble recoveries and four pass interceptions.

Unbeaten Southern Cal dominated play most of the way against a previously unbeaten Alabama, which had hoped to win the national championship this year. The Trojans gained 257 yards in the first half, 149 of those by White, a 183-pound junior.

Michigan 28, Notre Dame 14
At South Bend, Ind., Rick Leach passed for three touchdowns and ran for another to lead Michigan to a 28-14 victory over Notre Dame in the first game between the two teams in 35 years. It marked the first time in 15 years that Notre Dame has opened its season with two successive losses.

Leach completed 8 of 19 passes for 110 yards. Notre Dame's quarterback, Joe Montana, who had been expected to challenge Leach for passing superiority, outgained him with 16 completions in 29 attempts for 192 yards, but twice was intercepted and each time the turnover led to a Michigan touchdown.

Notre Dame lost the ball three times on fumbles: once on the Michigan 29, once on the Michigan 45 and then on the Michigan 43.

Kansas 28, UCLA 24
At Lawrence, Kan., Jeff Hines threw two touchdown passes in the first half to Kirby Ciswell and rushed for another to give Kansas, a heavy underdog, a 28-24 victory over UCLA.

Kansas scored all 28 of its points in the first half, then withstood a UCLA rally that scored 17 points in the final 30 minutes. The Bruins rolled up 15 first downs to just one for Kansas and limited it to 26 yards total offense during the second half.

Kansas was outscored, 68-12, in losing its first two games of the season against Texas A&M and Washington. UCLA fell to 2-1 after victories over Washington and Tennessee.

Texas 17, Wyoming 3
At Austin, Texas, quarterback Randy McEachern and halfback Kermit Goode scored on short plunges to give Texas a hard-fought 17-3 decision over Wyoming.

Both Longhorn scores came as a result of Wyoming errors. Sluggish Texas was unable to get its offense in gear, being outstruck by the Cowboys and managing only nine yards total offense in the first period. Texas managed only 130 yards on the ground in 50 tries.

Penn State 26, SMU 21
At University Park, Pa., Chuck Fusina passed 16 yards to Scott Fitzkee for a touchdown and Matt

With a Strong Running Game

Eagles Defeat Dolphins

From Wire Dispatches

PHILADELPHIA, Sept. 24 — Wilbert Montgomery and Mike Hogan tore up Miami's defensive line, with Hogan scoring a pair of touchdowns, as the Philadelphia Eagles beat the Dolphins, 17-3, today in a National Football League game.

The Eagles spotted Miami a 47-yard field goal in the first quarter by Garo Yepremian and then came back on a 4-yard pass from quarterback Ron Jaworski to Hogan in the second quarter and Hogan's 5-yard run in the fourth quarter.

Nick Mike-Mayer added a 34-yard field goal for Philadelphia's final three points.

Montgomery, who leads the National Conference in scoring with 24 points, rushed for 111 yards on 25 carries while Hogan rushed for 72 yards on 16 attempts.

Miami, which had won two of three games and came here as the top scoring team in the NFL, was stopped both on the ground and in the air by a tough Eagles defense.

The Dolphins gained just 85 yards running, while quarterback Don Strock completed only six of 17 passes for 76 yards and two interceptions.

Rams 10, Oilers 6

At Houston, Cullen Bryant scored on a three-yard run and Frank Corral kicked a 25-yard field goal, but the Rams had to overcome a series of second-half errors to defeat the Houston Oilers, 10-6.

Bryant completed a 62-yard drive with his touchdown plunge the first time the unbeatens Rams got the ball and Corral's second-quarter kick stalked Los Angeles to a 10-3 halftime lead.

The Oilers, now 2-2, got on the board with Toni Fritsch's 32-yard field goal in the second quarter and came charging back in the second half when the Rams fumbled twice deep in Oiler territory and saw a 29-yard field goal attempt by Corral blocked.

Los Angeles, 4-0, drove to the Houston 12 early in the fourth quarter, but was forced into Corral's field goal attempt. Oiler defensive end Jim Young blocked the kick, and cornerback Willie Alexander scooped it up and ran 35 yards to the LA 45.

Saints 20, Bengals 15

At Cincinnati, John Leyboldt kicked a 27-yard field goal that hit the left upright and bounced through the goalpost on the final play of the game to give the New Orleans Saints a 20-15 victory over the winless Cincinnati Bengals.

The Saints, trailing 18-17, called their final timeout with just three seconds left to set up Leyboldt's field goal attempt. His kick glanced off the side of the left upright and bounced forward the center of the goalpost, just barely making it over for the deciding points.

The Saints, trailing 18-10 in the final quarter, began their rally when Mike Strachan scored his second 5-yard TD run with 5:25 to play. Then, down 18-17, New Orleans began its game-winning drive

on the Cincinnati 49 with 2:14 to play.

Saints' quarterback Archie Manning, who hit 14 of 25 passes for 208 yards, brought his team into field goal range and then took a calculated risk by permitting the clock to run down to three seconds before calling time for Leyboldt's field goal try.

Bills 24, Colts 17

At Orchard Park, N.Y., Joe Ferguson threw two touchdown passes and Curtis Brown ran 102 yards with a kickoff return to lead the Buffalo Bills to their first victory, a 24-17 triumph over the Baltimore Colts.

The Colts had two opportunities late in the game that could have forced an overtime but the Bills met the challenge. With 2:27 left, Colts quarterback Bill Troup fumbled on fourth and one on the Buffalo 14-yard line. Troup recovered the ball for no gain and the Bills took possession.

On the Colts' final drive, Bills safety Tony Greene picked off Troup's pass intended for Roger Carr at the Buffalo 25 and returned it to the Baltimore 36 with 12 seconds left.

Ferguson completed 9 of 14 passes for 154 yards, most of them coming in the first half. Troup, playing for the injured Bert Jones, connected on 10 of 27 for 134 yards and had three of his passes intercepted.

The Bills got off to a 14-0 lead in an opening half. Ferguson hit tight end Reuben Gant with a 19-yard scoring pass at 9:20 of the first quarter and then passed 28 yards to Frank Lewis about four minutes later.

Redskins 23, Jets 3

At Washington, Joe Theismann enjoyed his best passing day in the NFL — completing 21 of 30 passes for 209 yards and two touchdowns — and Mark Mosley added three field goals as the unbeaten Washington Redskins rolled to their fourth straight victory, 23-3 over the New York Jets.

The Jets also lost quarterback Richard Todd for six to eight weeks after he suffered a fractured left clavicle early in the fourth quarter. Todd was tackled by defensive linemen Karl Lorch and Dave Butz while trying to pass.

The Redskins caught Todd and replacement Matt Robinson six times for 40 yards in losses.

Washington's John Riggins gained 115 yards on 21 carries, his second straight 100-yard career mark, and moved past the 5,000-yard career mark.

Washington put the game away in the third quarter when Theismann passed 20 yards to Jean Fugett for a touchdown and a 20-3 lead. The Redskins moved only 37 yards but had it overcome a pair of holding penalties in the seven-play drive.

Rono — who holds world-best times over four distances — is the favorite although he does not even have a time registered over the mile, which has been replaced by the 1,500-meter run in the world's major championships.

The fastest man in the field is Thomas Wessinghage of West Germany, whose time of 3:52.5 is 0.3 of a second faster than the British record set by Overt in Oslo last week. Next fastest are Steve Scott (3:52.9) of the United States and Rod Dixon (3:53.6) of New Zealand.

Others competing include Vladimir Abramov of the Soviet Union, Graham Williamson of Scotland, Bronislaw Malinowski of Poland, Francis Gonzales of France, Takashi Ishii of Japan and Giancarlo de Cataldo of Italy.

Walker, whose record run in Gothenburg, Sweden, in August,

Eagles Rehire Papale, Fans' Dream Come True

PHILADELPHIA, Sept. 24 (AP) — Vince Papale, whose release by the Philadelphia Eagles last month appeared to cause more consternation among fans than the team's 17 years of futility, has been rehired by the National Football League club.

Papale became a folk hero among Philadelphia pro football followers because he realized the average fan's dream: Although he never played college football, he tried out for the Eagles as a free agent and made the squad.

The 195-pound Papale was used as a special team player — developing into a devastating tackler on kickoff returns — and occasionally as a wide receiver. In two seasons, he caught one pass for 15 yards.

"No, I don't feel like I'm on cloud nine," said Papale after an injury opened a spot on the roster. "I'm just happy to be back. I'm real excited about the opportunity to play again. I expect to be a special teamer and maybe a catastrophe receiver."

He was a school teacher who became an NFL rookie at the age of 30, when most players are beginning to think about their pensions. He was elected special teams' captain by his teammates last season, a season with the Eagles.

Papale excelled as a trackman at St. Joseph's College in Philadelphia, which did not have a football team. He gave up Olympic decathlon aspirations to concentrate on football, spending two years with the Philadelphia Bell of the defunct World Football League before trying out for the Eagles.

Brontos 23, Chiefs 17

At Kansas City, Dave Preston scooped two yards with 4:32 remaining in overtime to lift Denver to a 23-17 victory over Kansas City. The Broncos pulled to a 17-17 tie with 2:56 remaining in the third period on Larry Canada's three-yard touchdown plunge moments after Tony Reed had given the Chiefs the lead on a 15-yard touchdown on a reverse handoff from Ted McKinnin.

Denver won the overtime kickoff and went nowhere, and the Chiefs gambled on a fourth-and-one but Tony Reed was stacked up for no gain at the Denver 40.

Starting from there the Broncos, behind Canada's bullish runs, marched downfield. Canada carried six times for 35 yards in the winning drive.

Turner missed a 41-yard field goal with 24 seconds left after the Broncos had driven from their 20. A five-yard yard of game penalty preceded the unsuccessful boot.

Steelers 15, Browns 9

At Pittsburgh, Terry Bradshaw hit Bennie Cunningham with a 37-yard scoring pass 3:43 into sudden-death overtime to give the Pittsburgh Steelers their fourth straight victory, 15-9 over the Cleveland Browns, and sole possession of first place in the AFC Central Division.

The touchdown pass, the 100th of Bradshaw's career, capped a drive that began on the Steelers' 21 after Pittsburgh woo the toss and received to open the overtime.

Roy Gerela had kicked a 36-yard field goal with 2:35 left to play in regulation time to tie the game at 9-9. Both teams had gotten all their scores in regulation on field goals.

The Browns, who have never beaten the Steelers in their nine meetings in Three Rivers Stadium, got two more chances to score after Gerela's game-tying field goal, and the Steelers had one chance, but neither team was able to move the ball.

Cleveland's Brian Sipe lofted a desperation pass from the Steelers' 45 with two seconds left in regulation but it was intercepted by Tony Dwyer, who eluded several tacklers and returned the ball 65 yards before Dave Logan brought him down to assure an overtime period.

CFL Standings

EASTERN CONFERENCE	W	L	T	Pct.	PA
Ottawa	7	2	0	.778	138
Montreal	4	5	0	.444	170
Hamilton	3	7	0	.300	182
Toronto	3	7	0	.300	154

WESTERN CONFERENCE	W	L	T	Pct.	PA
Edmonton	8	1	1	.714	145
Winnipeg	4	5	0	.444	204
Calgary	4	5	0	.444	200
British Columbia	3	5	3	.389	192
Saskatchewan	2	6	0	.250	201

Saturday's Games
Saskatchewan at Ottawa
British Columbia at Winnipeg
Calgary at Edmonton

Mile Record Is Target

TOKYO, Sept. 24 (Reuters) — John Walker's world mile record, which has stood for more than three years, faces assault here tomorrow in a race billed as "the Golden Mile."

Henry Rono of Kenya and Steve Overt of Britain head a field of 12 top-class runners seeking to

Observer

Modern Times

NEW YORK — This is Reba. She is a child. This is Aramis. He is also a child. Although Reba is a she and Aramis is a he —

I beg your pardon, Reba? You say it's the other way around? Oh, very well, Reba is a he and Aramis is a she. It does not matter. What matters is that Reba and Aramis are modern children.

This is why they do not have old-fashioned sexist, racist, ethnic, socio-psychological-middle-class names like Dick and Jane. They are modern.

This is their mother. She goes to the office every day to earn their daily bread. She is a modern mother.

This is their father. He is a modern father. Why has he not washed the dishes and dusted the windowsills? Why is he staring at the television set?

He is waiting for a football game to begin on the television set. Afterward, he will go out-of-doors and collect his unemployment compensation. He is a modern father.

This is Uncle Carlos. Until five years ago, he was Uncle Herman. Do you know why Uncle Carlos, once an Uncle Herman, is lying on the couch? He is being psychoanalyzed. He is trying to discover the real self that is the actual Uncle Carlos.

He thought he had come five years ago when he was discovered by a doctor who was not an Uncle Herman. He thought he was actually an Uncle Carlos. This is why he changed his name. Now he is not so sure he is an Uncle Carlos at all.

Uncle Carlos has been on that couch for 18 years. Five years as Uncle Carlos, six years as Uncle Herman, four years as Uncle Benito and three years as Uncle Oscar. He is a modern uncle.

Look behind these tall bars. Do you see the senior male person? He is Grandfather Otis. Grandfather Otis is a modern prisoner.

Why is Grandfather Otis in prison? Grandfather Otis has made a serious mistake. Three months ago, while walking on a dark street, he saw three young men shoot an old woman in the intestines. The three

The judge sent the three young men free without bail. The police fear they will shoot Grandfather Otis in the head if they meet him on a dark street. This is why they have locked up Grandfather Otis.

This is Cousin Harold. Eight years ago, his car struck a tractor-trailer on the turnpike and Cousin Harold was killed.

Clever doctors at a hospital wired Cousin Harold to this machine. The machine makes his heart beat. It has kept it beating for eight years. Unless there is a serious power failure, it will keep Cousin Harold's heart beating forever, and his life insurance company will never have to pay off.

Cousin Harold is a modern dead man. Doctors believe he is the dead man of the future.

Look, Reba! Look, Aramis! Do you see the very old woman?

She is Great Grandmother Gert. She is very, very old. She is a modern great grandmother.

Do you see Great Grandmother Gert crying? She is crying because she cannot remember who you are, and she is afraid of strange young people. She is afraid they will tie her to the bed and strangle her until she tells them where her wedding ring is hidden.

Ah, she is smiling. You have made her smile, Aramis. She thinks that she is you. She thinks she is about to be bundled up and put into the buggy and driven down to the landing. She thinks her father will be getting off the steamer and will bring her a small wooden box smelling of spices and will take her in his arms and laugh and toss her high in the air.

But we have interrupted her. She has business to do. The salesman wants her to sign the contract. See her signature? So sorry. She is signing an agreement to pay for \$2,000 worth of roof repairs.

Later she will be sued in court, and make an embarrassing scene, and cry, and ask the bailiff what time the steamer is arriving with her father. She is a very modern great grandmother.

The New York City newspaper strike continues. This is a reprint of a column which ran in February, 1976.

'One cannot really talk about lost paintings for the most part. One can talk about uncontrolled paintings.'

The Prado's 'Uncontrolled' Paintings

By James M. Markham

MADRID (NYT) — The Prado Museum, home to one of the world's richest collections of paintings, has crept into the headlines of democratic Spain. Some think it is a healthy embarrassment for the venerable institution, which has changed astonishingly little since it came into being in 1819 as Spain's answer to the Louvre.

The fuss started in July when El Imparcial, a far-right daily that specializes in provocations, claimed that hundreds of paintings were missing from the Prado. Other newspapers joined in, and the figure of 7,000 missing paintings was bandied about. Apparently miffed that they could not get an appointment with the Prado's new director, editors of a slick-covered art magazine, *Guernica*, added scathing questions of their own.

In truth, paintings do seem to be missing from the Prado, though apparently not thousands of them. But this minor scandal, which is about 100 years old, has succeeded in focusing attention on a larger scandal of mismanagement and misdirection by successive regimes charged with caring for one of Spain's most precious heritages. "Nothing Has Changed at the Prado" was the headline of the most damning article on the museum's plight.

Lending Policy

"The people in the street think this was the fault of Franco," said Jose Manuel Pita Andrade, the new Prado director, speaking of perhaps 2,700 paintings that since the middle of the 19th century have been lent to provincial museums, government offices, cabinet ministers, bishops and politicians. "No, I have never been a Francoist, but this was not Franco's fault," Pita Andrade said.

An embarrassment of riches, which first spilled over in 1872 when a vast collection of devotional art was given to the Prado, prompted a series of directors to "lend" paintings that could not be hung in the museum or kept in its storehouses. One loan, in 1896, went to a fictitious parish near Toledo that turned out to be the hunting lodge of a former treasury minister. A decade ago, the Prado rescued a number of Ribera's 18th-century paintings that had been hung in a makeshift gymnasium and bore the marks of waywardly kicked soccer balls.

Pita Andrade, who taught art history at Granada University before being named

Prado director earlier this year, has vowed to reorganize the so-called "deposits" that have been carelessly distributed around Spain in the last 100 years. He hopes to concentrate the dispersed paintings, a few of which are hanging in private homes, in places where citizens can view them.

150 Lost

Perhaps 150 paintings have actually been lost, according to Alfonso Perez Sanchez, the deputy museum director who since 1961 has been hunting down the lent treasure. "One cannot really talk about lost paintings for the most part," he said. "One can talk about uncontrolled paintings." Perez Sanchez two years ago opened a barrage of criticism at his own museum in four lectures on its history and future; he sees the "uncontrolled paintings" phenomenon as symptomatic of deeper problems of mismanagement and neglect of the Prado. "The Prado simply does not have enough personnel to go and make an investigation of these paintings," he lamented.

Over the decades, the Prado has had a number of close calls and a lot of cavalier management. In 1833, at the death of King Ferdinand VII, nominally responsible for its founding, the Prado's priceless Velazquez, Titians and Bosch were nearly divided among his heirs as royal property. In 1898 several American art dealers were said to have suggested that the Prado's contents, not the Philippines, would do for war reparations from a defeated Spain. With the outbreak of Civil War in 1936, a statue near the museum was hit by a bomb and many canvases were heroically evacuated to the safety of Valencia and still others to the League of Nations in Geneva.

"Better a cannon than a Goya!" was a patriotic bit of doggerel sounded during the Civil War, urging that the Prado wealth be turned into guns. But Miguel Azana, the cultured president of the Second Republic, opposed that it was more important to save the Prado than the republic itself. As a propaganda move, Pablo Picasso was named director under the republic, but he never set foot in the museum.

Humdrum Job

Such stirring days do not seem to lie before Pita Andrade, an edgy, straightforward man who faces the important, humdrum job of overhauling the museum's administration and securing for it the autonomy it lost in 1968. In that year, the Franco regime, evidently

PEOPLE: Chagall Window Unveiled

In West German Church

A stained-glass window by Russian-born Jewish artist Marc Chagall was unveiled in Mainz, West Germany, during a festive service in St. Stephen's Roman Catholic church. The window in the eastern choir of the Gothic-style church, which was destroyed in World War II and later rebuilt, depicts the story of Abraham. Measuring 10 by 1.7 meters (33 by 5.5 feet) and costing about 200,000 marks (\$100,000), it is a gift from the Rheinland Palatinate state government. It is the first window to be painted for a West German church by the 91-year-old artist, who lives in France.

A 35-year-old Spaniard has been freed after spending 11 months in jail for passing himself off falsely as the "Duke of Montpensier," a title that no longer exists. The false duke, whose real name is Alejandro Frago, said upon release that he only regretted that while he was jailed, people who proclaim themselves no less than pope are walking around free men. He was apparently referring to Clemente Dominguez, the anti-pope Gregory XVII, based in Seville, Spain. Frago had been jailed in Valencia. He had been using the name Enrique de Montjoy Orleans in aristocratic and show business circles but claimed he never used the title to swindle or defraud anyone. Frago's case came to trial two days ago. A Valencia court sentenced him to three months in jail, and since his time spent in detention already far exceeded that, he was released.

A provincial Soviet newspaper has taken Rosalyn Carter to task for disagreeing with exiled Soviet author Alexander Solzhenitsyn. The Communist Party daily *Soviet Byelorussia* reported Mrs. Carter's reaction to Solzhenitsyn's commencement address at Harvard last June. In a major blast at what he perceived as the "agitational exchange" of the west, the former Soviet dissident had complained that "the forces of evil have begun their decisive offensive, you can feel their pressure." Soviet Byelorussia quoted Mrs. Carter as saying she could not feel this pressure and that there is exceptional freedom in the United States for the mind and the spirit. "This can be believed," commented an editorialist. "One would scarcely venture to doubt the reliability of security arrangements surrounding the wife of the president. But Mrs. Carter has probably heard of the attempt in Lawrenceville, Georgia, on the life of the American publisher Larry Flint, who has decided to unmask the role played by the FBI and the CIA in the life of society. But the president's wife perhaps doesn't consider this evil, to the extent that she doesn't feel any pressure from such an evil."

Belgium's Prime Minister Leo Tindemans and his wife, on a sightseeing tour of the ancient Japanese capital city of Kyoto in western Japan, visited a castle, garden, temple and an old imperial palace. During the visit they were greeted by Japanese sightseers out for the national autumnal-equinix holiday.

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DEFENSE
on garden, 5 rooms, kitchen, bath, phone. Tel. 2500. Tel. 280 20 42.

EMBASSY SERVICE
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